

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, CA 95814



January 11, 2005

Regulation Package #0404-02

CDSS MANUAL LETTER NO. EAS-04-07

TO: HOLDERS OF THE EAS MANUAL

**Regulation Package #0404-02****Effective 7/1/04**

**Sections**      **40-036, 40-103, 40-105, 40-107, 40-119, 40-125, 40-131, 40-173, 40-181, 40-188, 40-190,**  
**41-405, 42-209, 42-213, 42-221, 42-302, 42-406, 42-407, 42-716, 42-721, 42-751, 42-769,**  
**44-101, 44-102, 44-111, 44-113, 44-115, 44-133, 44-205, 44-207, 44-211, 44-304, 44-305,**  
**44-313, 44-314, 44-315, 44-316, 44-318, 44-325, 44-327, 44-340, 44-350, 44-352, 44-400,**  
**44-401, 44-402, 47-220, 47-320, 48-001, 80-301, 80-310, 82-612, 82-812, 82-820, 82-832,**  
**89-110, 89-130 and 89-201**

This manual letter has been posted on the Office of Regulations Development website at [http://www.dss.cahwnet.gov/ord/Eligibilit\\_617.htm](http://www.dss.cahwnet.gov/ord/Eligibilit_617.htm).

These regulations implemented and made specific AB 444 (Chapter 1022, Statutes of 2002), AB 692 (Chapter 1024, Statute of 2002), and AB 1402 (Chapter 398, Statutes of 2003) which provide authority for the Quarterly Reporting/Prospective Budgeting (QR/PB) reporting system. These regulations contain a tandem regulation format to allow for the operation of both Monthly Reporting/Retrospective Budgeting (MR/RB) and QR/PB during counties' staggered implementation of Quarterly Reporting (QR) in accordance with the QR/PB Director's Declaration as specified in Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002). This format was necessary to maintain current monthly reporting (MR) regulations for those counties that were pending QR implementation and remain in place until all counties have implemented the QR system.

In current regulations under MR/RB, CalWORKs recipients are required to report income, household composition, and eligibility circumstances on a monthly income/eligibility report. Furthermore, recipient income is budgeted on a retrospective basis using actual income from two months prior to determine the current month's CalWORKs cash grant.

In proposed regulations QR/PB requires recipients to submit an income/eligibility report once per quarter. Recipient's eligibility and cash aid is determined for a three-month quarterly period based on information provided by the recipient in a quarterly report. Income will be budgeted on a prospective basis using income reasonably anticipated to be received during the QR Payment Quarter. Eligibility and cash aid is "frozen" for the duration of the quarter, except mid-quarter adjustments that may occur under specified circumstances. Circumstances in which eligibility and cash aid may be adjusted during the quarter include: 1) Recipient mid-quarter reports which result in an increase in cash aid; 2) Recipient mandatory mid-quarter reports which result in a decrease in cash aid or a discontinuance from aid; 3) County initiated actions which result in a decrease in cash aid or a discontinuance from aid.

These regulations were adopted on an emergency basis effective July 1, 2004 and were considered at the Department's public hearing held on August 25, 2004.

## **FILING INSTRUCTIONS**

The attached pages are to be entered in your copy of the Manual of Policies and Procedures. The latest prior manual letter containing EAS changes was EAS-04-06.

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**ELIGIBILITY AND ASSISTANCE STANDARDS  
RECEPTION AND APPLICATION**

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<b>40-036</b>	<b>IMPLEMENTATION OF QUARTERLY REPORTING PROSPECTIVE BUDGETING FOR CalWORKs RECIPIENTS</b>	<b>40-036</b>
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- |    |   |   |
|----|---|---|
| .1 | Effective Date                            | All regulatory action implementing the provisions of Quarterly Reporting/Prospective Budgeting (QR/PB) as authorized by Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002), AB 692 (Chapter 1024, Statutes of 2002), and AB 1402 (Chapter 398, Statutes of 2003) shall become effective for recipient cases upon Quarterly Reporting becoming operative in the county in which they reside pursuant to the Director's QR/PB Declaration. Quarterly Reporting regulations include a unique regulation design which include a tandem format for the operation of both monthly and quarterly reporting systems to account for the staggered implementation dates. Regulations that become obsolete under Quarterly Reporting, are labeled as (MR). Regulations that are operative under Quarterly Reporting are labeled (QR). Regulations not labeled are applicable to both reporting systems and therefore remain unchanged. In addition, each regulation impacted by QR includes a disclaimer stating QR regulations will replace the MR regulations once QR is implemented by the county. |
| .2 | Divisions Impacted by Quarterly Reporting | Division 22, 40, 42, 44, 47, 48, 80, 82, and 89.  |

Note: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; and Section 71, Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002), as amended by Section 3, AB 1402 (Chapter 398, Statutes of 2003). Reference: Sections 11265.1, 11265.2, and 11265.3, Welfare and Institutions Code; Section 70, AB 444 (Chapter 1022, Statutes of 2002); and Section 71, AB 444 (Chapter 1022, Statutes of 2002), as amended by Section 3, AB 1402 (Chapter 398, Statutes of 2003).

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**RECEPTION AND APPLICATION  
GENERAL**

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<b>CHAPTER 40-100 GENERAL</b>	<b>40-100</b>
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<b>40-101 GENERAL POLICIES AND PRINCIPLES</b>	<b>40-101</b>
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.1 General Policies and Principles

Assistance is to be administered in a manner which is consistent with and will help achieve basic program purposes; which respects individual rights under the U. S. Constitution, State and Federal laws which does not violate individual privacy or personal dignity.

The following policies and principles govern the delivery of public assistance:

- .11 Assistance is to be administered promptly and humanely, with due regard to the preservation of family life and without discrimination. Compliance with all civil rights laws, rules and regulations of Division 21 is required in the administration of these regulations, including compliance by contractors and subcontractors. Assistance is to be so administered as to encourage self-respect, self-reliance, and the desire to be a good citizen useful to society.
- .12 It is the responsibility on all who are concerned with the administration of aid to do so with courtesy, consideration, and respect toward applicants and recipients and without attempting to elicit any unnecessary information. Administrative duties should be performed in such a manner as to secure for every applicant and recipient the amount of aid to which he or she is entitled under the law.
- .13 All applications and records are confidential and not open to examination for any purpose not directly connected with the administration of these programs (see Division 19).
- .14 The provisions of the law relating to public assistance are to be fairly and equitably construed.
- .15 Aid is to be provided to every applicant in his or her own home or in some other suitable home of his or her own choosing in preference to placement in an institution.
- .16 There is to be no question, inquiry, or recommendation relating to the political or religious opinions or affiliations of an applicant or recipient.
- .17 Applications for public assistance are to be reviewed promptly in accord with regulations prescribed by the State Department of Social Services, and when appropriate, with regulations prescribed by the State Department of Health Services.

NOTE: Authority cited: Sections 10553, 10554, 10605, 11053, 11102, and 11369, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10605, Welfare and Institutions Code.

<b>40-103</b>	<b>DEFINITIONS AND DESIGNATIONS - GENERAL</b>	<b>40-103</b>
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- .1 Public Social Services (See definition in Section 11-003.1.)
- .2 Services (See definition in Section 10-010(j).)
- .3 Aid
  - .31 Cash grant for maintenance needs and medical assistance under the California Medical Assistance Program.
  - .32 Medical Assistance only for others who are determined eligible under the California Medical Assistance Program. Aid is not interrupted by a change in recipient status from a cash grant to medically needy individual or family under the same program. The change requires no new application.
- .4 Applications for Aid

An application is a request for aid in writing made to the county welfare department on the SAWS 1 (Rev. 9/90) either by the applicant or on his or her behalf.

Applications are as follows:

  - .41 New -- The applicant has not previously applied for the same aid in the same county.
  - .42 Restoration -- The applicant was a recipient of the same category of aid in the same county and his or her grant has been discontinued for 12 months or less at the time of the current application. See Section 40-125.9 Request for Restoration of Aid.
  - .43 Reapplication
    - .431 The applicant's previous application for the same aid in the same county was withdrawn or denied, or
    - .432 The applicant is a former recipient of the same aid in the same county whose grant has been discontinued for more than 12 months at the time of the current application.
  - .44 Appropriate Action on an Application -- Appropriate action on an application includes authorization of a cash grant and certification for medical assistance to persons determined to be eligible; certification as a medically needy person or family eligible for medical assistance, or such other disposition as is indicated by the investigation, i.e., denial, cancellation, etc. (See Section 40-171.)



<b>40-103</b>	<b>DEFINITIONS AND DESIGNATIONS - GENERAL (Continued)</b>	<b>40-103</b>
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.5 Section 40-103.5(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Quarterly Reporting Cycle – The quarterly reporting (QR) cycle is comprised of three consecutive months which constitute a QR Payment Quarter. The following terminology is used to describe the months and the quarter of an individual QR cycle:

(QR) .51 QR Payment Quarter – the quarter for which cash aid is paid/issued. A quarter is comprised of three consecutive calendar months. The QR Payment Quarter begins the first day immediately following the QR Submit Month.

(QR) .52 Next QR Payment Quarter- the quarter immediately following the QR Submit Month.

(QR) .53 QR Data Month – the month for which the recipient reports all information necessary to determine eligibility. The QR Data Month is the second month of each QR Payment Quarter.

(QR) .54 QR Submit Month – the month in which the QR 7 is required to be submitted to the county. The QR Submit Month immediately follows the QR Data Month and is the third month of each QR Payment Quarter.

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(QR) The following table illustrates how months are arranged in a QR cycle.

1 <sup>st</sup> Quarter			2 <sup>nd</sup> Quarter		
January	February	March	April	May	June
	QR Data Month	QR Submit Month	QR Payment Quarter		

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<b>40-103</b>	<b>DEFINITIONS AND DESIGNATIONS - GENERAL (Continued)</b>	<b>40-103</b>
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.6     Inquiries -- An inquiry is a request for information or a general request which is not an application. It is usually made without the individual indicating he/she is in need. It may include a request for information from a potential applicant or any other person or agency who desires information regarding public assistance, eligibility requirements, points of agency policy, etc.

.7     Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

.8     Aid Programs

The aid programs in these regulations are defined in terms of basic program purposes as follows:

.81    Has been deleted.

.82    Repealed by Manual Letter No. EAS-86-01 (effective 1/17/86).

.83    Has been deleted.

.84    Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

.85    Medical Assistance Program -- to provide health care services on an individualized basis for recipients of aid under the assistance programs under Section .81 through .84 above and to other eligible persons thus promoting better health for those persons who are unable to pay in full for the cost of their medical care. Requirements and definitions for the California Medical Assistance Program are set forth in Medical Assistance Regulations, Title 22, California Administrative Code, Division 3.

.86    State Supplemental Program -- to provide money payments to eligible aged, blind, or disabled California residents. (See Division 46.)

.9     IEVS - Means the Income and Eligibility Verification System. (See Section 20-006.1.)

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10604, 11056, and 11265.1, Welfare and Institutions Code; and 45 CFR 206.10(a)(1)(ii).

<b>40-105</b>	<b>APPLICANT AND RECIPIENT RESPONSIBILITY</b>	<b>40-105</b>
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.1 Assuming Responsibility Within His/Her Capabilities

During the determination of initial and continuing eligibility, the applicant or recipient shall assume as much responsibility as he/she can within his/her physical, emotional, educational, or other limitations. Within his/her capabilities, the applicant/recipient is responsible for:

- .11 Completing or participating in the completion of all documents required in the application process or in the determination of continuing eligibility.
- .12 Making available to the county all documents that are in his/her possession or available to him/her which are needed to determine eligibility or ineligibility.
- .13 Reporting all facts known to him/her which he/she believes to be material to his/her eligibility or which the county has identified to him/her as affecting eligibility.

.14 Section 40-105.14(MR) shall become inoperative and Section 40-105.14(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Reporting, within five calendar days of the occurrence, any change in any of these facts (see Sections 40-181.1(e)(1)(MR) and 44-315.71).

(QR) Applicants shall report within five calendar days of the occurrence, any change in any of these facts (see Section 40-181.1(e)(1)(QR)) and recipients shall report within ten calendar days of the occurrence, any change required to be reported during the quarter (see Section 44-316(QR)).

- .15 Cooperating in a quality control review. Cooperation includes, but is not limited to, attending a personal interview with the quality control reviewer and answering questions and providing information necessary to complete the quality control review.

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See Chapter 40-200, Quality Control Cooperation Requirements.

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<b>40-105</b>	<b>APPLICANT AND RECIPIENT RESPONSIBILITY (Continued)</b>	<b>40-105</b>
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.16 Identifying any third party who may be liable for care and services available under the state's Title XIX state plan on behalf of the applicant/recipient or any other family member required to be in the AU under Section 82-820.3.

.161 Applicants and recipients may be exempted from cooperation requirements under certain circumstances as specified in Section 82-512.

.17 Failure to comply with these provisions shall result in a fraud penalty if the applicant or recipient is found to have committed an IPV.

.2 Social Security Number (SSN)

.21 As a condition of eligibility, each AFDC-FG and U applicant or recipient member of the AU shall:

.211 Furnish his/her Social Security Account Number (SSN) or numbers, if more than one, within 30 days following the date of the application for assistance; or

.212 If he/she cannot furnish an SSN:

- (a) apply directly to a local office of the Social Security Administration (SSA); and submit verification of such completed application to the county within 30 days following the date of application for assistance before aid may be authorized. A completed application means an application that has been accepted by the SSA for processing; and,
- (b) furnish the SSN to the county when received.
- (c) See .221 below for a child(ren) who has been enumerated at birth through the Enumeration at Birth (EAB) Project.

<b>40-105</b>	<b>APPLICANT AND RECIPIENT RESPONSIBILITY (Continued)</b>	<b>40-105</b>
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- .22 Verification of a completed SSN application on behalf of a newborn child(ren) to be added to the AU shall be submitted to the county no later than the last day of the month following the month in which the mother is released from the hospital.
- .221 When a newborn child has been enumerated at birth, Form SSA 2853 is acceptable proof of application if it contains the name of the newborn, as well as the date and signature of an authorized hospital official.
- (a) The SSN shall be furnished to the county within six months after receipt of the number or at redetermination, whichever occurs first.

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- .222 (a) Example: Mother was discharged from the hospital on February 15, she has through March 31 to apply for an SSN for the newborn and submit verification of a completed application.
- (b) Handbook Section 40-105.222(b)(MR) shall become inoperative and Handbook Section 40-105.222(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Example: Mother gave birth on May 8, but was not released from the hospital until May 20. She reported the birth of the child on the May CA 7 requesting that the child be added to her grant. The time period to apply for an SSN for the child and submit verification of a completed application to the CWD begins on May 21 and ends on June 30.
- (QR) Example: Mother gave birth on May 8, but was not released from the hospital until May 20. She reported the birth of the child in May requesting that the child be added to her grant. The time period to apply for an SSN for the child and submit verification of a completed application to the county begins on May 21 and ends on June 30.

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- (c) Example: Same scenario as above, but the mother remained in the hospital until June 2 due to complications. She has through July 31 to apply for an SSN for the child and submit verification of a completed application.
- (d) NOTE: For further information, see "Beginning Date of Aid", Section 44-317.

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- .23 An applicant/recipient is ineligible for aid if he/she refuses to comply with the requirements of .21 above. Where the refusal relates to an otherwise eligible child, that child is ineligible for aid. (See Section 82-832.24.)
- .24 As a condition of eligibility, each AFDC-FC applicant or recipient shall have an SSN.
  - .241 For children applying for or receiving AFDC-FC, where a parent(s), legal guardian, or relative, is not available or not cooperating, the placing agency representative, on behalf of the child shall obtain or make application for the SSN.
    - (a) To satisfy the requirement specified in .24 above when the absence of identifying information prevents the placing agency representative from obtaining an SSN for an abandoned child, the eligibility case file shall contain documentation of the attempt to apply for an SSN for the child, including the date the attempt was made, and the reason the attempt was unsuccessful.
- .25 As a condition of eligibility, applicants for and recipients of AFDC shall cooperate in resolving any discrepancies regarding SSNs, such as discrepancies arising from a cross-check of agency SSN files with those of the SSA. When there is a failure to cooperate, aid shall be denied or discontinued only for the member(s) of the AU whose SSN(s) is in question.

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- .251 Once a recipient has been discontinued for not cooperating, aid may not be granted until the recipient has demonstrated that he/she is cooperating.
- .3 Statewide Fingerprint Imaging System (SFIS) Requirements
  - .31 As a condition of eligibility, persons listed in Section 40-105.32 must supply through the SFIS two fingerprint images and a photo image at the time of application. Failure to provide the required images will result in ineligibility for the entire assistance unit.
  - .32 The following persons must provide fingerprint and photo images:
    - .321 Each parent and/or caretaker relative of an aided or applicant child when living in the home of the child; and
    - .322 Each parent and/or caretaker relative receiving or applying for aid on the basis of an unaided excluded child; and
    - .323 Each aided or applicant adult; and
    - .324 The aided or applicant pregnant woman in an AU consisting of the woman only.
  - .33 The following persons are exempted from the rule in Section 40-105.32:
    - .331 The following persons shall be temporarily excused for a period of not more than 60 days:
      - (a) Persons with both hands damaged so as to preclude fingerprint imaging shall be excused from fingerprint imaging. A photo image will be taken as part of the normal SFIS process.
      - (b) Persons with other medically verified physical conditions which preclude them from coming into the office shall be excused from fingerprint and photo imaging.
    - .332 Persons missing all ten fingers shall be permanently excused from fingerprint imaging. A photo image will be taken as part of the normal SFIS process.
  - .34 SFIS information shall be considered confidential under Section 10850 of the Welfare and Institutions Code.

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- .341 The county shall not use or disclose the data collected for any purpose other than the prevention or prosecution of fraud.
  - .342 The county shall inform all persons required to provide fingerprint and photo images that the images will be used only for the purpose of prevention or prosecution of welfare fraud.
  - .35 The county shall not deny aid to an otherwise eligible AU because of technical problems with the SFIS.
  - .351 The applicant/recipient must agree to complete the process at a mutually agreed upon time within 60 days of the initial attempt.
- .4 Immunization Requirements
- (a) All applicants/recipients shall provide verification, as specified in Section 40-105.4(d), that all children under the age of six in the AU have received all age-appropriate immunizations.

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- (1) Applicants/recipients who have made a good faith effort to initiate immunizations for a child(ren) in the AU, but the child(ren) cannot complete the series because of a spacing requirement between vaccine doses, may be considered at that point to have received "all age-appropriate immunizations." Good faith effort may also apply in cases where the vaccine is not available.

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(b) Age-Appropriate Immunizations

The age-appropriate immunizations for children under the age of six and for children not immunized in the first year of life that are listed in the following two charts are those suggested by the Childhood Immunization Schedule (United States), by the Advisory Committee on Immunization Practices, the American Academy of Pediatrics, and the American Academy of Family Physicians and are described in Welfare and Institutions Code Section 11265.8(b)(1). These charts are provided as an aid to the county in complying with the verification requirement of MPP Section 40-105.4(a) and are not intended to be mandatory in every case. Rather, they are recommended guidelines that would be applied as appropriate by each child's medical care provider.



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- (1) Immunizations currently recommended for children under the age of six.

<u>TYPE OF SHOT</u>	<u>DOSE</u>	<u>RECOMMENDED AT</u>
Polio (or OPV, TOPV, IPV, Sabin, Salk)	1st 2nd 3rd 4th	2 months 4 months 6-18 months Before starting school (4-6 years)
DTaP (DPT) (diphtheria, tetanus and pertussis)	1st 2nd 3rd 4th 5th	2 months 4 months 6 months 15-18 months Before starting school (4-6 years)
MMR (measles, mumps, and rubella)	1st 2nd	12-15 months Before starting school (4-6 years)
Varicella Virus Vaccine* (or VAR, VZV) (chicken pox)	1st	12-18 months
Hepatitis B	1st 2nd 3rd	At birth - 3 months 1-5 months 6-18 months
Hemophilus influenzae type b (or Hib)	1st 2nd 3rd 3rd or 4th	2 months 4 months 6 months ( <i>may not be required</i> ) 12-15 months ( <i>if any dose is given after 12 mos. no further doses needed</i> )

Recommended Childhood Immunization Schedule (United States), approved (January, 1999) by the Advisory Committee on Immunization Practices (ACIP), and the American Academy of Pediatrics, and the American Academy of Family Physicians (AAFP).

(\*The varicella virus vaccine is only required for susceptible children, i.e., those who have not had the chickenpox.)

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- (2) This schedule is recommended for children who have not received any immunizations in the first year of life. If the child has received some, but not all, of the recommended immunizations by his or her first birthday, the recommended schedule will depend on which immunizations the child is missing and the child's age. A health care provider should be consulted to determine the appropriate immunizations. After these immunizations have been completed, refer to Schedule I for immunizations to be completed.

**RECOMMENDED IMMUNIZATION SCHEDULE FOR CHILDREN  
NOT IMMUNIZED IN THE FIRST YEAR OF LIFE**

<u>VISIT</u>	<u>WHEN</u>	<u>VACCINES WHICH MIGHT BE GIVEN</u>
First Visit		Hepatitis B DTaP (or DTP) Hib Polio (or OPV, TOPV, IPV, Sabin, Salk MMR Varicella (or VAR, VZV) (chickenpox)
Second Visit	1 - 2 months after 1st visit	Hepatitis B DTaP (or DTP) Hib Polio (or OPV, TOPV, IPV, Sabin, Salk
Third Visit	1 - 2 months after 2nd visit	DTaP (or DTP) Polio (or OPV, TOPV, IPV, Sabin, Salk
Fourth Visit	6 months after 3rd visit	Hepatitis B DTaP (or DTP)

Approved by the Advisory Committee on Immunization Practices (ACIP), and the American Academy of Pediatrics and the American Academy of Family Physicians (AAFP). (Note: Delays between doses do not require repeating doses or re-starting series. Hib Schedules vary by age when series started.)

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40-105	APPLICANT AND RECIPIENT RESPONSIBILITY (Continued)	40-105
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(c) Informing Requirements

At the time of application and at redetermination, all applicants and recipients shall receive a notice informing them of their obligation to secure age-appropriate immunizations for all children in the AU under the age of six.

(1) The notice shall inform them of:

- (A) Their obligation to secure immunizations for all children in the AU under the age of six and the penalty for failure to comply;
- (B) The age-appropriate immunizations;
- (C) Their right to file an affidavit claiming that immunizations are contrary to their personal and/or religious beliefs or for medical reasons; and
- (D) How immunizations may be obtained through a fee-for-service provider that accepts Medi-Cal, a Medi-Cal managed care plan, a county public health clinic, or any other source that may be available to the county as appropriate.

(d) Verification

As specified in Section 40-105.4(e), verification of immunization is required at initial application, when adding a child under the age of six to the AU, and at redetermination. Verification of immunizations, as defined by the county, must be submitted until the child(ren) completes all age-appropriate immunizations or the child(ren) reaches the age of six. For intercounty transfer cases, an applicant/recipient, who has submitted verification of age-appropriate immunizations in the first county and that county has determined it to be adequate, shall not be required to resubmit duplicate verification in the second county. See Section 40-188.136.

(e) Time Frames

Applicants/recipients shall provide verification of immunization for all children in the AU under the age of six as follows:

- (1) Applicants, if applying for CalWORKs and Medi-Cal simultaneously, within 30 days of determination of eligibility for Medi-Cal; or, if applying for CalWORKs and already receiving Medi-Cal benefits, within 45 days;
- (2) Recipients, within 45 days of redetermination of eligibility; or
- (3) Children under the age of six being added to the AU if applying for CalWORKs and Medi-Cal simultaneously, within 30 days of determination of eligibility for Medi-Cal; or, if applying for CalWORKs and already receiving Medi-Cal benefits, within 45 days.

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(f) Exemptions

The immunization requirement does not apply if the parent(s)/caretaker relative submits:

- (1) An affidavit stating that the immunization requirement is contrary to his/her personal/religious beliefs and the reasons for his/her objection.
- (2) A written statement from a physician or health professional working under the supervision of the physician, stating that the child should not be immunized, which includes the prohibitive medical condition and the duration.

(g) Failure to Cooperate

If an applicant/recipient fails to submit timely verification of immunization of any child(ren) in the AU under the age of six (see Section 40-105.4(d)) and does not qualify for an exemption or have good cause (see Section 40-105.4(i)), the grant shall be reduced by the amount (MAP) allowed for the needs, as specified in Section 44-315.311, of the parent(s)/caretaker relative in the AU.

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(1) Immunization Penalty Computations

Examples:

- (A) An AU composed of a mother and her three children fails to submit verification of immunization and is not found to have good cause. The mother has total earned income of \$525 per month and no disability-based unearned income. The AU is nonexempt and resides in Region 2.

Grant Computation - Single Penalty:

AU size remains four, but due to the penalty, use the MAP for three.

\$ 525	Gross Earned Income
- <u>225</u>	\$225 Income Disregard
\$ 300	Remaining Earned Income
- <u>150</u>	50% Earned Income Disregard
\$ 150	Net Nonexempt Income
\$ 538	MAP for three (excluding the parent)
- <u>150</u>	Total Net Nonexempt Income
\$ 388	Aid Payment

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- (B) This same AU also fails to cooperate with the District Attorney's office in establishing paternity for child support.

Grant Computation - Double Penalty

\$ 525	Gross Earned Income
- 225	\$225 Income Disregard
\$ 300	Remaining Earned Income
- 150	50% Earned Income Disregard
\$ 150	Net Nonexempt Income
\$ 538	MAP for three (excludes the parent)
- 150	Total Net Nonexempt Income
\$ 388	Aid Payment with First Penalty Applied
- 97	25% of Aid Payment - Second Penalty for Failure to Cooperate with DA
\$ 291	Aid Payment with Both Penalties Applied

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- (h) Restoration of Aid

Once verification of immunization is submitted the grant is increased to reflect the needs of the parent(s)/caretaker relative effective the first of the month in which verification is received.

- (i) Good Cause

The county shall determine if good cause exists for not submitting verification due to lack of reasonable access to immunization services. If the county determines that good cause exists, the applicant/recipient has an additional 30 days to submit immunization verification.

- (1) Circumstances which may constitute good cause, due to lack of reasonable access to immunization services, may include but are not limited to the following: language barriers, physical distance, illness of a parent(s)/caretaker relative, bona fide transportation problems or a lack of available appointments.

- (j) Documentation

The county shall document verification of immunization, determination of good cause or any exemption.

**.5 School Attendance Requirements**

<b>40-105</b>	<b>APPLICANT AND RECIPIENT RESPONSIBILITY (Continued)</b>	<b>40-105</b>
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- (a) All children in the AU for whom school attendance is compulsory, i.e., ages 6 through 17, must attend school "regularly" as defined by the county.

- (b) Verification

Recipients shall cooperate in providing routinely available documentation of school attendance of all applicable school-age children in the AU when requested by the county. Applicants are not required to submit verification of school attendance prior to being granted cash aid.

- (c) Exemptions

All children in the AU for whom school attendance is compulsory must regularly attend school with the following exceptions:

- (1) A pregnant or parenting teen eligible for Cal-Learn. See Section 42-763.1.
- (2) A child subject to participating in a county school attendance demonstration projects in Merced or San Diego counties.

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- (3) See Section 42-719 regarding welfare-to-work plans for children 16 through 17 years of age not regularly attending school and not exempted under Section 40-105.5(c).

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- (d) Irregular Attendance Penalty

If the county determines that good cause does not exist and the child is not exempted under Section 40-105.5(c)(2), failure of a child in the AU, for whom school attendance is compulsory, to regularly attend school pursuant to Section 40-105.5(a), shall result in a reduction in the grant by an amount equal to the following:

- (1) The needs of the parent(s)/caretaker relative in the AU if the child(ren) is under the age of 16, or
- (2) The child's needs if the child(ren) is age 16 or older.

- (e) Failure to Cooperate

Refusal or failure of a recipient to cooperate in providing documentation when requested shall result in aid being reduced in accordance with Section 40-105.5(b), unless the county determines good cause exists.

<b>40-105</b>	<b>APPLICANT AND RECIPIENT RESPONSIBILITY (Continued)</b>	<b>40-105</b>
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(f) Good Cause

The county shall determine what constitutes good cause for not attending school "regularly" and failure to cooperate.

(g) Restoration of Aid

The needs of the parent(s)/caretaker relative or child(ren) shall be restored effective the first of the month in which verification of regular school attendance is received.

NOTE: Authority cited: Sections 10553, 10554, 10604, 11209, 11253.5, and 11265.8, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10604, 11209, 11253.5, 11265.3, 11265.8, 11266, 11268, and 11486, Welfare and Institutions Code; Section 48200, Education Code; 45 CFR 205.42(d)(2)(v)(A) and (B), as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808; 45 CFR 205.52(a)(1) and (2); 45 CFR 233.10(a)(1)(iv) and 235.112(b); 7 CFR 273.16(b); 42 U.S.C. 402(a)(6) and 616(b); and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193); California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996.

<b>40-107</b>	<b>COUNTY RESPONSIBILITY</b>	<b>40-107</b>
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(a) Assisting the Applicant

The county is responsible for assisting applicants or recipients in understanding their rights and responsibilities in relation to application for aid; for evaluating the capacity of the applicants or recipients to discharge their responsibilities as set forth in Section 40-105; for assisting them as needed in establishing their eligibility and helping them to realize the maximum personal independence of which they are capable, including self-care and self-maintenance.

(1) The applicant shall be informed at the time of application that the law requires furnishing an SSN (Section 40-105) and assignment of accrued support rights (Section 43-106) as conditions of eligibility. The applicant/recipient shall also be informed, in writing, at the time of application or redetermination, that the law requires cooperation in establishing paternity and securing support rights (Section 43-201) as conditions of eligibility.

(A) The county shall notify the applicant or recipient by means of the prescribed form of the right to claim good cause as an exception to the cooperation requirements.



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- (B) The county shall notify the applicant or recipient that upon request of the custodial parent, the county department shall provide information to that custodial parent on the amount of child and spousal support paid to the county by the absent parent. (See Section 43-201.3.)
- (2) All forms pertaining to (a)(1) and (a)(1)(A) above shall be available for the applicant to complete at the initial interview when the CA 2.1 is completed, but need not be completed prior to granting emergency aid.
- (3) Section 40-107(a)(3)(MR) and Handbook Section 40-107(a)(3)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The applicant shall be informed of the availability of reduced income supplemental payments and of the necessity that an assistance unit request the payments in order for them to be provided.

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- (MR) (See Section 44-400 regarding reduced income supplemental payments.)

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- (4) The CWD shall provide the individual, in writing and orally as necessary, a description of the 60-month time limit requirements, including the exemptions from the time limit, as provided in Sections 42-302.11 and 42-302.21 and the process by which recipients can claim the exemptions, as provided in MPP Section 42-302.3. The description of the 60-month time limit requirements shall be provided at the time an individual applies for aid, at the time a recipient's eligibility for aid is redetermined, and any other time a notice of action establishing time on aid pursuant to this section is provided. In addition, counties are required to provide information on the number of months an applicant, recipient, or former recipient received aid as follows:
  - (A) The applicant shall be informed, by notice of action, at the time that eligibility for aid is authorized, if the applicant received aid in California or any other state(s) on or after January 1, 1998. The notice shall include:
    - 1. The number of months the individual received aid as reported on the most recent notice of action, if any.

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2. The cumulative number of countable months that the individual received aid and the specific exempt months since the last notice of action, or the beginning of aid if there has been no prior notice of action.

3. The remaining number of months that the individual may be eligible to receive aid. (See MPP Section 42-302.2 for definition of countable months.)

(B) The recipient shall be informed, by a notice of action, at redetermination of aid. The notice shall include information as required in MPP Section 40-107(a)(4)(A).

(C) The recipient shall be informed, in writing, at the 54<sup>th</sup> countable month on aid by using one of the following two methods:

1. A notice of action which meets the requirements in MPP Section 42-107(a)(4)(C)1.

2. A notice that informs the recipient of the cumulative number of countable months that the recipient received aid and the remaining number of months that the recipient may be eligible to receive aid. (See MPP Section 42-302.2 for definition of countable months.)

(D) Each recipient shall be informed by a notice of action provided in one month during the period of the recipient's 54th through 58th countable months on aid.

1. A notice of action pursuant to MPP Section 40-107(a)(4)(A), (a)(4)(B), or (a)(4)(C)1. satisfies this requirement.

2. Once the notice of action required in MPP Section 40-107(a)(4)(D) is sent, no further notice of action, pursuant to MPP Sections 40-107(a)(4)(A) through (a)(4)(D), shall be required until a total of six exempt months have passed.

(E) No notice pursuant to MPP Sections 40-107(a)(4)(A) through (a)(4)(F) need be sent under the following circumstances:

1. Within 3 calendar months from a previous notice of action, pursuant to MPP Sections 40-107(a)(4)(A) through 40-107(a)(4)(D), was provided.

2. Once the exemption for individuals who are 60 years of age or older, as provided in MPP Section 40-302.21(e), is established.

40-107	COUNTY RESPONSIBILITY (Continued)	40-107
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(F) Upon a verbal or written request for time limit information, a current or former recipient shall be informed, in writing, within 30 calendar days from the date of receipt of the request. The county shall document the request and provide the recipient with a written notice that will include:

1. The cumulative number of countable months that the recipient received aid,
2. The specific months that were exempt from the 60-month time limit since the most recent notification (pursuant to MPP Sections 40-107(a)(4)(A), 40-107(a)(4)(B), 40-107(a)(4)(C)1. or 40-107(a)(4)(D)),
3. The remaining number of months that the recipient may be eligible to receive aid.

(G) The recipient shall be informed by a notice of action at the 60th countable month on aid. The notice shall include:

1. Information in accordance with Section 40-107(a)(4)(A).
2. Notification of the reduction in the grant amount due to the expiration of the CalWORKs 60-month time limit or notification that the recipient will continue to receive aid beyond the 60-month time limit based upon the criteria for exceptions as provided in MPP Section 42-302.11.

(H) After the 60-month time limit notice of action, an adult who has reached the CalWORKs 60-month time limit and whose children remain on aid, shall be informed by notice of action pursuant to MPP Section 40-107(a)(4)(B) when child support or overpayment recoupment reimburses any month(s) on aid. (See MPP Section 42-302.21(g) for reimbursement of aid through child support recoupment and MPP Section 42-302.2 for overpayment months that are repaid.)

(I) After the 60-month time limit notice of action, an adult who has reached the CalWORKs 60-month time limit and whose children are no longer aided, shall be informed pursuant to MPP Sections 40-107(a)(4)(A) and (a)(4)(F).

(5) When a former CalWORKs recipient applies for aid in another state and the other state requests information on the number of months of assistance provided by Temporary Assistance for Needy Families (TANF) funds, the county where the aid was last received shall promptly respond to the other state's request in writing.

(A) The county shall also send a notice of action to the former CalWORKs recipient at her/his new address in the other state. The notice of action shall include information on the number of months of TANF-funded assistance that was provided to the other state.

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- (B) Months of assistance provided by TANF funds shall be reported to the other state. Assistance provided by the California state-only programs, the Separate State Program for Two-Parent Families and the Segregated State Program for Legal Immigrants is not subject to the Federal TANF 60-month time limit. Individuals who received aid provided by the state-only programs do not accrue months of assistance toward the federal TANF 60-month time limit and therefore, the months of aid shall not be reported to the other state.
- (C) Months that are exempt from the federal TANF 60-month time limit and months that are excluded from the federal definition of assistance and the federal regulations shall not be included in the cumulative number of months of assistance that is reported to the other state.

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- (6) Applicants shall be informed:
  - (A) that they may apply for food stamps at the same time as they apply for AFDC.
  - (B) that, if they apply for food stamps at the same time as they apply for AFDC, they have the right to file a joint application and shall have a single interview for both programs.
  - (C) in written form, and orally as appropriate, of the AFDC and Food Stamp programs, explaining the rules regarding eligibility and benefits available from both programs, and that the application interview for AFDC is sufficient for applying for food stamps.
  - (D) of the availability of paid child care and be given an informing notice (see Section 47-301.2).
- (7) Applicants/recipients shall receive written information at the time of application or at their first redetermination after implementation of GAIN regarding the GAIN Program as to the following:
  - (A) A description of the program;
  - (B) The availability of job training, employment, education and supportive services, including the types and locations of child care services and the assistance available to select and obtain such services, and Transitional Child Care (TCC) Program benefits;
  - (C) The individual's rights and responsibilities;

<b>40-107</b>	<b>COUNTY RESPONSIBILITY (Continued)</b>	<b>40-107</b>
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- (D) The consequences of failure or refusal to participate in the GAIN Program;
- (E) The grounds for exemption from participation in the GAIN Program; and
- (F) The obligations of the county welfare department (CWD) in providing GAIN services.
- (8) Applicants/recipients shall be informed by the CWD orally, as needed, to clarify written information regarding the GAIN Program and/or the requirement for cooperation in establishing paternity and securing support rights.
- (9) The CWD shall provide written notification of the opportunity to express a desire to participate in the GAIN Program and provide a clear description of how to enter the GAIN Program to:
  - (A) Applicants, upon application, but not later than 30 days from the determination of eligibility for aid; and
  - (B) Recipients, at redetermination, but not later than 30 days after being informed in accordance with Section 40-107(a)(6).

(b) Arrangement for Substitute Payee, Guardian or Conservator

When there is a need for a person to act as a substitute payee on behalf of a recipient or when there is need for protection in the form of a guardian or conservator for the recipient, the county is responsible for assisting in the development of a satisfactory plan.

In planning for selection and appointment of someone to act in behalf of a recipient as a substitute payee, guardian or conservator, every effort must be made to protect the interests of the recipient and to avoid any possible conflict of interest. The recipient has the right to select the substitute payee, guardian or conservator to the extent of his/her capability.

Aid may be paid on behalf of the recipient to such substitute payee, guardian or conservator subject to the requirements and limitations specified below and in Sections 44-303, 44-309, and 44-310.

(1) Substitute Payees

Because of the potential conflict of interest, aid payment may not be made on behalf of an individual to a person serving as substitute payee, if such person is also the administrator, operator or fiscal agent of a public or private facility providing care to the individual. A substitute payee also may not include the executive head of the agency administering public assistance, the person determining income eligibility for the family, special investigative or resource staff, or staff handling fiscal processes related to the recipient, landlords, grocers, or other vendors of goods or services dealing directly with the recipient.

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If it appears to be in the best interest of the individual, a staff person, preferably in a unit or division of the county welfare department or State Department of Health, Community Services Section, which is responsible for providing protective services, may serve as a substitute payee for the recipient. However, the county is responsible for taking all necessary precautions to prevent either potential or actual conflict of interest.

| (2) Guardian or Conservator

When there is need for protection of a recipient in the form of a guardian or conservator the county is responsible for assisting in the development of a satisfactory plan which includes initiating the necessary procedures for appointment of a guardian or conservator.

Because of the potential conflict of interest, a staff person may not serve as guardian or conservator of the recipient unless the appointment is based on a close personal relationship with the client which makes the staff member the most suitable guardian or conservator. If the guardian is guardian of the person only, (and not guardian of the estate) however, a staff person may serve as the guardian.

| (c) Eligibility Determination

The county is responsible for determining that the applicant or recipient meets the requirements of all necessary eligibility factors. This determination shall be based upon an evaluation of all available evidence. The gathering of such evidence and the determination of eligibility shall be a separate operation from and precede that of computing the amount of grant an eligible applicant is entitled to receive. This section is not meant to prevent the county from granting immediate need under Section 40-129. The factors to be considered in determining eligibility are as follows:

| (1) Linking Eligibility Factors -- Definition

Linking eligibility factors are those single conditions that link an applicant to a categorical aid program. These factors are: blindness and deprivation of parental care or support.

| (2) Nonlinking Eligibility Factors -- Definition

Nonlinking eligibility factors are those factors that establish whether an applicant is entitled to assistance under the program to which he is linked. Although the categorical aid programs have these nonlinking eligibility factors in common, the standards differ. The nonlinking eligibility factors are: age, property, residence, financial status and institutional status.

**40-107 COUNTY RESPONSIBILITY (Continued)****40-107****(d) Grant Determination**

Once the applicant's eligibility is established, the county is responsible for determining the applicant's financial and medical needs. The county is further responsible for developing and carrying out plans for meeting such needs within the limitations of the W&IC, the Regulations of the State Department of Social Services and the Department of Health.

**(e) Notification of the Right to a State Hearing**

At the time aid is granted or denied and whenever there is a change in eligibility or amount of payment, the applicant or recipient shall be advised of the right to request a state hearing. If the applicant or recipient expresses dissatisfaction, the county shall make every effort to resolve the problem. However, if the applicant or recipient chooses to have a state hearing, the county shall assist the individual in preparation of the state hearing request, and advise the applicant or recipient of the right to be represented by counsel or other authorized representatives as set forth in Chapter 22-000.

**(f) Provision of Informational Materials**

(1) Informational materials required by DSS shall either be given to applicants during the application interview or mailed with Notice of Action forms approving or restoring AFDC grants or Certifications for Medical Assistance (see 40-171(b)(1)).

(A) For AFDC-FG/U, brochures describing benefits available under the Child Health and Disability Prevention (CHDP) program and how and where these benefits are provided within the county shall be given to the applicant during the application interview. Provision of CHDP informational materials shall be documented by notation upon the CA 2 form.

(B) For AFDC-FC, the placement worker shall assess the applicant child's need for CHDP services, and shall provide information to the foster care provider and/or, as appropriate, to the child. Provision of CHDP informational material shall be documented in the service case record, as specified in Section 30-209.66.

(2) The CWD shall inform all AFDC applicants/recipients of the availability of family planning services. For those AFDC applicants/recipients who voluntarily request such services, the CWD shall provide information and referral for family planning services. (See Section 40-131.3(h).)

(A) The CWD shall designate personnel who shall:

1. Be generally knowledgeable in the area of family planning.
2. Be responsible for the coordination of family planning services activities within the CWD and with family planning resources outside of the CWD.

40-107	<b>COUNTY RESPONSIBILITY</b> (Continued)	40-107
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(B) The CWD shall display in waiting rooms and make available to AFDC applicants/recipients, copies of notices, pamphlets and other written materials which contain information concerning the availability of family planning services.

(C) The CWD shall ensure that written notice of the availability of family planning services is sent to: (1) applicants for AFDC upon denial of AFDC benefits; or (2) all AFDC recipients upon termination of AFDC benefits.

(g) Social Security Number

(1) SSNs shall be confirmed by viewing SSN cards or SSA's form series OA-702. Any one of the following shall be acceptable evidence if the SSN card or SSA's form series OA-702 is not available:

(A) An award letter, Medicare card or a check from the SSA showing the applicant/recipient's name and SSN with the letters A, HA, J, T, or M following the SSN.

(B) Other documentation from the SSA upon approval by the Department.

(C) When an SSN card or other acceptable evidence is not available, the county shall accept the furnished SSN pending verification of the number through IEVS in accordance with (g)(2) of this section.

(D) For those individuals who are unable to provide an SSN, the county shall assist the applicant by referring him/her to the local office of the SSA. This requirement may be met by furnishing the applicant with a referral notice, such as the SSA Referral Notice, form MC 194, or by providing the address of the local SSA office.

(E) The county shall deny the application for assistance for any individual who refuses or fails to provide either an SSN or verification that an application for an SSN was completed within 30 days after the date of application for assistance. (See Section 82-832.24.)

1. If the individual is the only eligible child, and the caretaker relative refuses or fails to provide either an SSN or verification that an application for an SSN was completed within 30 days after the date of the application for assistance, the entire AU is ineligible. (See Section 82-820.2.)

2. The county shall discontinue aid for any member of the AU who refuses or fails to furnish the SSN as required in 40-105.212(b) and/or (c).



40-107	COUNTY RESPONSIBILITY (Continued)	40-107
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(F) The county shall inform the applicant/recipient of his/her responsibilities under this section. If the county receives verification of application directly from the SSA, the requirement in Section 40-105.212(a) is met. If the county receives the SSN directly from the SSA or from another federal or federally assisted program, the requirement in Section 40-105.212(b) is met.

(G) Counties shall document in the case record the fact that the applicant/recipient submitted a completed application for an SSN and the method of verification.

(H) The county shall obtain the SSN of a child who has been enumerated at birth within six months after receipt of the number or at redetermination, whichever occurs earlier.

(2) Aid shall not be denied, delayed, or discontinued pending the issuance or verification of such number or numbers if the applicant/recipient has furnished his/her SSN or has submitted the necessary verification as required in Section 40-105.21. Immediate need cases are subject to the provisions of Section 40-129.214.

(3) All SSNs shall be verified by SSA through IEVS in accordance with Section 20-006.

(A) The county shall deny the application or discontinue assistance for any individual who fails to cooperate in resolving a discrepancy between the furnished SSN and SSA files in accordance with the requirement of Section 40-105.25.

(4) In AFDC-FC when there is no identifying information as specified in Section 40-105.241(a), the case file shall be reviewed at redetermination to determine whether any change occurred that would enable the Social Security Administration to issue an SSN. The eligibility worker shall document the date the review was completed and any changes that have occurred. If new information is available, the parent(s), legal guardian, or relative, (if now available and cooperating) or the placing agency representative shall forward the application for an SSN to the Social Security Administration.

(h) WIC Referrals

The county welfare department shall refer all pregnant recipients of aid to a local provider of the Women, Infants, and Children program.

<b>40-107</b>	<b>COUNTY RESPONSIBILITY (Continued)</b>	<b>40-107</b>
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(i) Domestic Abuse

For instructions on addressing domestic abuse, see Section 42-715.

- (j) Section 40-107(j)(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Establishing the Quarterly Reporting Cycle

Applicants shall be assigned a specific Quarterly Reporting (QR) cycle using the application date, the terminal digit of the case number, or other method determined by the county. To the extent possible, the county should align the CalWORKs annual redetermination of eligibility with the Food Stamp certification period and should also align the redetermination/recertification with the month the QR 7 is due (QR Submit Month). The county shall provide the QR 7 at the end of each QR Data Month, but no later than the first day of each QR Submit Month. The county must provide the recipient with a written notice that will include:

(QR) (1) The AU's individual QR cycle,

(QR) (2) The month in which the initial QR 7 and subsequent QR 7s are due, and

(QR) (3) The QR Data Month they will be responsible for reporting information.

(QR) (A) Quarterly Reporting Cycle Based on Application Date

The county shall establish three QR cycles, each comprised of four QR Payment Quarters (see Section 40-103.5(QR)). The county shall assign the applicant to one of these cycles based on the month of application. The month of application shall be considered the first month of the QR Payment Quarter regardless of whether cash aid is issued in that month.

<b>40-107</b>	<b>COUNTY RESPONSIBILITY (Continued)</b>	<b>40-107</b>
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**HANDBOOK CONTINUES**

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(QR) This model requires CWDs to consider a client’s application month as the first month of the QR Payment Quarter. This month will begin the QR cycle for the new reporting system. Clients will be assigned to one of three cycles, based on their application date. For purposes of discussing months within the cycle, the following definitions will apply:

**QR Payment Quarter** – the quarter in which benefits are paid. The QR Payment Quarter will include three consecutive months. The month of application will be considered the first month of the “QR payment quarter” for purposes of identifying the appropriate client reporting cycle, regardless of whether benefits are issued in that month or as a supplemental payment in a subsequent month.

**QR Data Month** – the 2nd month of the quarter for which the client reports all information necessary to determine eligibility and

**QR Submit Month** – The third month of the quarter in which the QR 7 is required to be submitted to the CWD.

<b><u>January</u></b> (Application Month)	<b><u>February</u></b>	<b><u>March</u></b>	<b><u>April</u></b>	<b><u>May</u></b>	<b><u>June</u></b>
QR Payment Quarter Begins	QR Data Month	QR Submit Month	QR Payment Quarter Begins	QR Data Month	QR Submit Month

  

<b><u>July</u></b>	<b><u>August</u></b>	<b><u>September</u></b>	<b><u>October</u></b>	<b><u>November</u></b>	<b><u>December</u></b>
QR Payment Quarter Begins	QR Data Month	QR Submit Month	QR Payment Quarter Begins	QR Data Month	QR Submit Month
					RV/RC due

<b><u>January</u></b> (13th month)
QR Payment Quarter Begins
New FS Cert Period

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**HANDBOOK CONTINUES**

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**40-107 COUNTY RESPONSIBILITY (Continued)****40-107**

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The following cycles would be assigned to each applicant, based on application date.

Cycle 1:

Application/QR Payment Quarter	QR Data Month	QR Submit Month
January	February	March
April	May	June
July	August	September
October	November	December

Cycle 2:

Application/QR Payment Quarter	QR Data Month	QR Submit Month
February	March	April
May	June	July
August	September	October
November	December	January

Cycle 3:

Application/QR Payment Quarter	QR Data Month	QR Submit Month
March	April	May
June	July	August
September	October	November
December	January	February

This system enables the county to align the reporting/budgeting cycle with the FS recertification date. The month in which the certification period expires will always be the QR Submit Month, which will be when the recertification can be completed to set up the thirteenth month's allotment.

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<b>40-107</b>	<b>COUNTY RESPONSIBILITY (Continued)</b>	<b>40-107</b>
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(QR) (B) Quarterly Reporting Cycle Based on Terminal Digits

The county shall establish three QR cycles, each for a particular set of numbers. Counties shall determine the groupings. The county shall assign a cycle to an applicant/recipient based on the last digit of his/her case number.

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Following is one example of how a county might set up their QR cycle based on terminal digits:

Cycle 1 will be assigned to cases ending in 0, 1, 2, and 3.

Cycle 2 will be assigned to cases ending in 4, 5, and 6.

Cycle 3 will be assigned to cases ending in 7, 8, and 9.

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NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10613, 11209, 11265.1, 11268, 11323.3, 11324.8(a) and (f)(1), AB 312, Chapter 1568, Statutes of 1990, 11454(b) and (e), 11495.1, 11500(b), 11502(b), and 11511(a), Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); 42 USC Sections 608(a)(7), 682(c)(2), (3), (4) and (5); 45 CFR 205.42(d)(2)(v)(A) and (B) as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808; 45 CFR 205.52(a)(1) and (2); 45 CFR 205.55; 45 CFR 250.20; 45 CFR 250.40(a), (b), (c)(1) and (2); 45 CFR 255.1; 45 CFR 256.1(b), and California Department of Health Services Manual Letter 77-1.

<b>40-109</b>	<b>APPLICANT RIGHTS WITH RESPECT TO APPLICATION FOR AID - GENERAL</b>	<b>40-109</b>
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.1 Right to Apply for Aid

Subject to the limitations set forth in Section 40-117, any person has the right to apply for aid, either on his/her own behalf or on behalf of another. An applicant who appears ineligible must still be allowed to exercise his/her right to make an application.

.2 Right to Choose Type of Aid

A person or his/her representative who believes the applicant meets the eligibility requirements for more than one category of aid has the right to choose the type of aid for which he/she will apply. For an exception, see the Diversion Services regulations found at Section 81-215.32. For children in or in need of foster care placement who are eligible to and/or receive AFDC-FC, see Sections 45-202.212(a) and 45-302.1.

<b>40-109</b>	<b>APPLICANT RIGHTS WITH RESPECT TO APPLICATION FOR AID - GENERAL (Continued)</b>	<b>40-109</b>
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.3 Right to be Considered for Another Program

If a recipient becomes ineligible for the type of aid he/she is receiving but appears eligible under another public social service program, his/her request for aid under such other program is to be recorded and any required additional investigation completed promptly so that there will be no interruption in aid payments to him/her (see Section 40-117). If an eligible recipient in one program appears to be eligible for aid in another program and wishes to take advantage of such eligibility, the same procedure shall be followed.

.4 Applicant's Right to Self-Determination

.41 The right to be self-determining is of paramount importance for the individual in clarifying when, how, and what the individual wants for him/herself. However, his/her freedom of choice may be limited by his/her capacity for self-determination and by the function of the agency as expressed in law and regulations.

.42 It is necessary to respect the individual's right to accept or reject what the agency has to offer him/her.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11266.5, Welfare and Institutions Code (Ch. 270, Stats. 1997).

<b>40-115</b>	<b>THE APPLICATION PROCESS</b>	<b>40-115</b>
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.1 Purpose

The basic purpose of the application process is to assist the individual in establishing his/her eligibility for aid and services.

.2 Steps in the Application Process

.21 Discussion of Circumstances Leading to Application

.211 The individual with the help of the worker tells why he/she is applying for aid or services, with the worker explaining agency requirements, program limitations, the applicant's rights and responsibilities and what he/she can expect from the agency.

<b>40-115</b>	<b>THE APPLICATION PROCESS (Continued)</b>	<b>40-115</b>
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.212 If the applicant indicates on the SAWS 1 (Rev. 9/90) that he/she is in immediate need or indicates at any time during the application process that he/she is in an emergency situation where his/her resources are insufficient to meet the cost of the emergency situation, the county at that time shall make a determination of whether immediate need exists. (See Section 40-129, Immediate Need.) "Applicants" under this section include those who do not need to submit an application under Section 40-121.3.

.213 At the time of application, all applicants shall be informed of the availability of lump-sum diversion services.

.22 Exploration of Eligibility

The applicant will be given a Statement of Facts (JA 2) to complete and sign under penalty of perjury. Acceptable evidence must be obtained concerning the linking and nonlinking factors of eligibility. (See each Eligibility Chapter for what is acceptable evidence.) When such evidence does not exist, the applicant's sworn statement under penalty of perjury will be considered sufficient, except in the areas of verification of U.S. citizenship or alienage status and/or medical verification or pregnancy. See Section 42-433 for verification of citizenship or eligible alien status and 80-300(m)(2) for verification of pregnancy.

.221 Before additional evidence may be obtained, the applicant must agree to continue the process of attempting to establish his/her eligibility.

.222 The applicant must participate in the gathering of evidence necessary to make an eligibility determination insofar as he/she has the capacity to do so.

.223 The principles and methods set forth in 40-157.2 and 40-157.3 shall be observed when obtaining evidence.

.224 The application process is not complete until all the evidence is in.

.225 Income and eligibility information shall be requested through IEVS and shall be used, to the extent possible, in the determination of eligibility in accordance with the procedures specified in Sections 20-006.2 and 20-006.4. However, the county shall not delay the determination of eligibility pending receipt of IEVS information if other information establishes the individual's eligibility.

.226 See Section 42-715 for the treatment of domestic abuse in the application process.

<b>40-115</b>	<b>THE APPLICATION PROCESS (Continued)</b>	<b>40-115</b>
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.23 Determination of Eligibility

.231 If eligibility is clearly established, aid is authorized and the eligible persons are certified for medical assistance.

.232 If it is determined the applicant is ineligible for a cash grant, determination of eligibility or ineligibility for certification as a medically needy person or family is required before action is taken on the application.

.24 Authorization of Assistance

.241 The next step in the application process concerns only approved applications. This step includes the following:

- a. Authorization of assistance to a person who has been determined to be eligible for a cash grant;
- b. The administrative procedure which assures prompt payment to a new recipient; and
- c. Certification for medical assistance.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 45 CFR 206.10(a)(1)(ii) and Sections 10553, 10554, 10604, 11056, 11266.5 (Ch. 270, Stats. 1997), and 11495.1, Welfare and Institutions Code.

<b>40-117</b>	<b>WHO MAY APPLY</b>	<b>40-117</b>
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.1 Repealed by Manual Letter No. EAS-86-01 (effective 1/17/86).

.2 Right to Initiate an Application for AFDC

Any person acting on behalf of a family or child or pregnant woman who believes the family or child or pregnant woman to be in need has a right to request aid; however, the county should make every effort to obtain the parent's or pregnant woman's signature on the application. Persons or agencies that may make application for a family or child or pregnant woman may include, but are not limited to:

.21 A guardian or relative with whom the child resides (see Section 82-808).



<b>40-117</b>	<b>WHO MAY APPLY (Continued)</b>	<b>40-117</b>
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- .22 The person closest to the family or child or pregnant woman who has knowledge of the needs of the family or child or pregnant woman and knows of the desire of the family to apply, and who requests aid in behalf of the family, or child or pregnant woman with the knowledge and consent of the parent, guardian or relative.
- .23 The person or agency which placed the child in foster care.
- .24 The representative of a public agency.
- .3 The Family or Child Absent from the State -- A request for aid per the CA 1 cannot be approved unless the county determines that the continued absence of such family or child is beyond the family's or child's control. (See Chapter 42-400.)
- .4 Repealed by Manual Letter No. EAS-86-01 (effective 1/17/86).

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

<b>40-118</b>	<b>WHO MUST BE INCLUDED ON THE STATEMENT OF FACTS (FILING UNIT)</b>	<b>40-118</b>
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|-----|-----------------------|---|
| .1  | Mandatory Inclusion   | The applicant shall include the following persons if living in the home on the applicable Statement of Facts: |
| .11 | Applicant Child       | An applicant child, and   |
| .12 | Siblings              | Children who are siblings or half-siblings of the applicant child, and  |
| .13 | Parents               | The parents of any child listed above, or   |
| .14 | Pregnant Woman        | A pregnant woman, in a one-person AU, or  |
| .15 | SSI/SSP Child         | The caretaker relative, stepparent, and second parent of an SSI/SSP child when aid is requested.              |
| .16 | GAIN Sanctioned Child | The caretaker relative, stepparent, and second parent of a child who is sanctioned by the GAIN program.       |
| .17 |                       | Senior Parent.  |

40-118 (Cont.)	RECEPTION AND APPLICATION GENERAL	Regulations
<b>40-118</b>	<b>WHO MUST BE INCLUDED ON THE STATEMENT OF FACTS (FILING UNIT) (Continued)</b>	<b>40-118</b>
.18	Sponsor of an alien.	
.19	Spouse of persons mandatorily included in the filing unit.	
.2	Optional Persons	Applicants shall include optional persons, including an ASP, on the applicable Statement of Facts when aid is requested for them.
.3	Relinquishment	Biological relatives of a child are not required to be included on the Statement of Facts when the child has been relinquished for adoption or parental rights are terminated, but the child has not been adopted.
.4	County Responsibility	The county shall determine whether the appropriate persons are included on the applicable Statement of Facts.
	.41 Deny Application	The county shall deny the application, redetermination, request to add a person, or request for restoration whenever the applicant refuses to include any persons listed in .1 on the applicable Statement of Facts.
	.42 Deny Persons	The county shall deny aid for optional persons whenever the applicant refuses to include the optional person on the applicable Statement of Facts.

NOTE: Authority cited: Sections 10553, 10554 and 10604, Welfare and Institutions Code. Reference: 45 CFR 206.10(a)(1)(vii), 45 CFR 206.10(a)(5)(i), and 45 CFR 233.90(c); SSA-AT-86-01; Civil Code 224m and 229; 42 USCA 602(a); Zapata v. Woods (1982) 187 Cal. Rptr 351, 137 C.A. 3d 858.

<b>40-119</b>	<b>HOW AND WHERE APPLICATION IS MADE</b>	<b>40-119</b>
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|------|--------------------|--|
| .1   | New Applications   | The county shall accept an application made by the applicant in writing on the SAWS 1 when made in the county in which the applicant lives. When an applicant applies in another county, the county receiving the SAWS 1 shall forward the SAWS 1 to the county in which the applicant lives. The beginning date of aid is the date the first county received the completed SAWS 1. The first county shall date stamp the completed SAWS 1 upon receipt. |
| .2   | Optional Persons   | Section 40-119.2(MR) shall become inoperative and Section 40-119.2(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.  |
| (MR) |                    | The county shall consider either the SAWS 1, SAWS 7, or the CA 7 the application for adding an optional person.  |
| (QR) |                    | The county shall consider either the SAWS 1, QR 3, or the QR 7 the application for adding an optional person.  |
| .3   | Person Added to AU | The applicant or recipient joining an existing AU shall complete one of the following, prior to aid being granted:   |
| .31  | CA 8A              | A CA 8A "Statement of Facts to Add a Child Under 16 Years," or   |
| .32  | CA 8               | A CA 8 "Statement of Facts for Additional Persons."  |
| .4   | Statement of Facts | The applicant/recipient shall complete the appropriate Statement of Facts when the county determines that additional eligibility factors need review and/or the annual redetermination is due.   |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: 45 CFR 206.10(a)(1)(ii), (a)(8), and (b)(2); 45 CFR 233.10(a)(1)(ii)(A) and (B); 45 CFR 233.100(a)(3)(iii) and (vi)(A); and Sections 11265.1, 11265.3, and 11450(b), Welfare and Institutions Code.

<b>40-121</b>	<b>COMPLETING THE APPLICATION</b>	<b>40-121</b>
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|----|---------------------------|---|
| .1 | Date of Application       | The date of the application for aid is the date on which the written application for aid is received by the county.   |
| .2 | Recording the Application | The application shall be recorded at the time the applicant, or someone properly acting on his/her behalf first requests aid as provided in Section 40-119. Exceptions to this requirement are:<br><br>.21 When an application or request for restoration has been denied and corrective action is to be taken, aid is then granted on the same application or request for restoration which was previously denied. (See Section 44-317.8.)<br><br>.22 When granting of aid is ordered by SDSS following a state hearing. |
| .3 | The Application Form      | The county shall provide a copy of the completed SAWS 1 to the applicant at the time he/she applies. An application shall not be required for:<br><br>.31 (Reserved)<br><br>.32 A transfer between AFDC-FG and U or vice versa, AFDC-FG/U and FC or vice versa, AFDC-FG and U and Kin-GAP or vice versa, or FC and Kin-GAP or vice versa. (See Section 40-183.)<br><br>.33 Any intercounty transfer. (See Section 40-187.)<br><br>.34 Adding a person who is mandatorily included in the AU.                              |

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(See Section 40-118.1.)

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<b>40-121</b>	<b>COMPLETING THE APPLICATION (Continued)</b>	<b>40-121</b>
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.35

A transfer from the Indochinese or Cuban Refugee Assistance Program to AFDC.

These requests shall be recorded in the case record when received and shall be acted upon promptly. In AFDC, aid for additional person(s) shall be authorized promptly upon completion of the evaluation of the person's eligibility.

| NOTE: Authority cited: Sections 10553, 10554, and 11369, Welfare and Institutions Code. Reference: SSA-AT-86-01; 45 CFR 206.10(a)(1)(ii); 45 CFR 233.10(a); and Section 11056, Welfare and Institutions Code.

<b>40-125</b>	<b>REAPPLICATIONS, RESTORATIONS, AND COUNTY OF RESPONSIBILITY</b>	<b>40-125</b>
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.1 County Responsibility -- General Requirements

.11 Responsibility for accepting the application and taking all actions necessary to determine eligibility or ineligibility and for granting or denying aid rests with the county where the applicant lives. (See Section 40-125.3.)

.12 County Receipts for Hand-Carried Documents

.121 Upon request, the CWD shall provide receipts for documents, except as specified in Section 40-125.123, when:

- (a) the documents are requested by the CWD, and
- (b) the documents are hand-delivered to the CWD by the applicant/recipient, and
- (c) the documents are received by a worker other than the regularly assigned caseworker.

.122 Receipts for documents shall be issued at the time the documents are received.

.123 CWDs that maintain a system of logging hand-delivered documents are exempt from the receipts for documents requirement.

<b>40-125</b>	<b>REAPPLICATION, RESTORATIONS, AND COUNTY OF RESPONSIBILITY (Continued)</b>	<b>40-125</b>
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For farm laborers applying for AFDC on the basis of part-time employment, if the family has accompanied the employed member to a county, whether or not there is a home base in some other county, the county in which the family is presently located is responsible for accepting the application, determining eligibility, paying aid and providing services until the family returns to their home base, or if they have no home base, until the family remains in one county for a period of time at least 60 days. The employed member need not remain with the family, but may go to work in one or more other counties.

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.2 Definitions

.21 Applicant -- See Section 40-103.5.

.22 County A -- County in which the individual "lives" or where the individual makes his home.

.23 County B -- County in which the individual is physically present when other than the county in which he lives.

.24 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

.25 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

.3 Determining County of Responsibility -- County Where Applicant Lives

The county where the applicant is physically present when an application is filed is considered to be the county in which the applicant "lives". This includes an applicant who is a caretaker relative of a child receiving AFDC-FC from a county other than the county in which the caretaker relative lives. Exceptions are specified in Sections .31 and .35. However, counties may, by mutual written agreement, consider for purposes of aid that the applicant "lives" in the county that has jurisdiction of the child receiving foster care.

.31 Applicant in County "B" Maintaining Living Place in County "A"

An applicant in County "B" is considered to live in County "A" if he plans to return to County "A" within 45 days of the date of application and is maintaining a living place in County "A".

<b>40-125</b>	<b>REAPPLICATION, RESTORATIONS, AND COUNTY OF RESPONSIBILITY (Continued)</b>	<b>40-125</b>
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In AFDC, if the family remains in an established home in County "A" while one or more members are in County "B" for temporary employment, including farm labor, the entire family is considered to be living in County "A."

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.32 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

.33 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

.34 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

.35 Applicant Absent from State Retaining California Residence

An applicant who is absent from the state but retaining California residence is considered to "live" in the county in which he was living immediately prior to leaving the state. (See Sections 40-105 and 40-181.)

.4 Applicant is in County B but lives in County A

.41 Responsibility of County B

County B shall assist in completing the application Form CA 1 and in securing the Statement of Facts (CA 2), and shall also obtain pertinent information and immediately send the application, the Statement of Facts and supporting documents and information to the county in which the applicant lives (County A).

Upon the request of County A, County B shall assist in determining initial and continuing eligibility, developing a service plan, and in providing needed services to the applicant.

When the applicant or recipient in a state hospital is to be released and will reside in a County B (see .32 above), County B shall also upon request of the State Department of Health Services or State Department of Social Services liaison staff, provide any needed assistance to expedite the application process or to determine continuing eligibility. This county shall also assist, as needed, in planning for care of the applicant outside the hospital, keeping County A informed promptly of its activities on behalf of the applicant.

<b>40-125</b>	<b>REAPPLICATIONS, RESTORATIONS, AND COUNTY OF RESPONSIBILITY (Continued)</b>	<b>40-125</b>
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.42 Responsibility of County A

County A shall accept the application, complete the determination of eligibility and grant aid if eligibility is established.

.5 Applicant or Recipient Moves After Signing Application or Requesting Restoration

When an applicant moves from one county to another to make his/her home (see Section 40-189) after application has been signed or restoration requested in the first county, the first county shall complete the determination of eligibility or ineligibility. If eligibility exists, this county shall authorize aid and certify the applicant for medical assistance, or if indicated, certify him/her as a medically needy person eligible for medical assistance. Intercounty transfer is then initiated with the county in which the recipient is making his/her home. (See Section 40-189.)

.51 For cases in which an application has been signed in the first county, and the applicant requests homeless assistance (see Section 44-211.5) in a second county prior to eligibility being established and/or authorization of aid in the first county, the procedure outlined in Section 40-125.5 shall apply. The beginning date of aid shall be the date of application in the first county.

.6 Repealed by Manual Letter No. EAS-91-02, effective 2/1/91.

.7 California Youth Authority Parolees

In AFDC the cost of care of California Youth Authority parolees in foster homes is normally the responsibility of the CYA even though the child may be eligible to AFDC. However, the CYA does not have the means of providing support for the children of a parolee mother even though she is living in a boarding home. In such cases, the county should accept and process the application for the parolee mother's children. If they are found eligible, the caretaker mother is included in the AFDC grant as a needy parent.

Financial responsibility for eligible Youth Authority wards who are living in their own homes or with relative is also carried by the county under the AFDC program.

.8 Child Receiving AFDC-FC

.81 A child residing in a family home or group home as a result of placement by a public agency, or by a private agency which has legal custody because the child has been relinquished to them or a court has given them legal custody, is considered to make his/her home in the county in which the agency is located, regardless of whether the family home or group home is situated in that county.



<b>40-125</b>	<b>REAPPLICATIONS, RESTORATIONS, AND COUNTY OF RESPONSIBILITY (Continued)</b>	<b>40-125</b>
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- .811 For purposes of this section, a public or private agency shall be considered to have placed the child in a family home or group home if the agency:
  - a. Actively participated in making the decision as to whether or not the child was to be placed; and
  - b. Initiated the placement of the child, either through direct negotiations with the family home or group home or by requesting help in making the placement from the county in which the family home or group home is located.
- .82 The county of responsibility for a child accepted for voluntary placement by a county welfare department or a licensed public or private adoption agency is the county in which the agency which accepted the voluntary placement is located.
- .83 The agency making or desiring to make a placement in a county other than the one in which the responsible agency is located, may request a service evaluation of the placement home by the county in which the home is located.
- .84 Where an agency has placed a child in foster care, and at time of placement or subsequent thereto a court of competent jurisdiction in a county other than that in which the placing agency is located accepts responsibility for the child, the county shall initiate an intercounty transfer of the child's AFDC-FC case to the county in which the court is located.
  - .841 The receiving county accepts responsibility for the child when it receives and files the order to transfer in its respective court.
- .9 Request for Restoration of Aid

When a county receives a request for restoration of aid, all provisions of Chapter 40-100 shall apply except as modified below.
- .91 The county may require that the applicant complete a new Statement of Facts (CA 2) as specified in Sections 40-115.22 and 40-128.1.
  - .911 The county shall determine on a case-by-case basis the need for completion of a new CA 2. Reasons for requesting a new CA 2 may include but are not limited to, the following:

40-125	<b>REAPPLICATIONS, RESTORATIONS, AND COUNTY OF RESPONSIBILITY (Continued)</b>	40-125
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- (a) Circumstances of the applicant have changed in such a way that it is necessary to redetermine eligibility.
- (b) A periodic redetermination of eligibility is overdue or it would have been due in the month of the request for restoration or in the month immediately following the month of the request for restoration.

.912 When the county determines that a new CA 2 is required, failure by the applicant to complete the CA 2 shall result in denial of the request for restoration (See Section 40-171.221(d)).

.92 Section 40-125.92(MR) shall become inoperative and Section 40-125.92(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If the applicant is determined to be eligible within the month following discontinuance, the applicant must provide the Monthly Eligibility Reports (CA 7), to the extent needed for purposes of retrospective grant computation, for the month prior to the last month of aid and for the last month in which the applicant was aided, unless complete CA 7s for these months are in the county's possession. (See Sections 44-313.2(MR) and 44-317.)

(QR) If the applicant is determined to be eligible within the month following discontinuance, the applicant must provide a current QR 7 unless a complete QR 7 for the quarter in which the applicant was discontinued is in the county's possession. The applicant may be assigned to the previous QR cycle or a new QR cycle based on the date of the most recent request for aid.

.921 Section 40-125.921(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CA 7(s) are not required when aid is to be computed prospectively. (See Section 44-313.1.)

.922 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

40-125	REAPPLICATIONS, RESTORATIONS, AND COUNTY OF RESPONSIBILITY (Continued)	40-125
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.93 If a former recipient of aid requests restoration within the calendar month following the effective date of discontinuance, the county shall not require him/her to furnish any documentation previously provided to the county except under the following conditions:

.931 The documentation is missing from the case record and

.932 The documentation affects eligibility or amount of aid for the month of restoration.

.94 Section 40-125.94(MR) shall become inoperative and Section 40-125.94(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Restorations in the Calendar Month Following a CA 7 Related Discontinuance

(QR) Restorations in the Calendar Month Following a QR 7 Related Discontinuance

.941 Section 40-125.941(MR) shall become inoperative and Section 40-125.941(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When a recipient who has been discontinued for failure to submit a complete CA 7 requests restoration of AFDC during the calendar month following discontinuance, but after the first working day, the CWD shall determine if the recipient had good cause (Section 40-181.23(MR)) for failure to submit a complete report.

(QR) When a recipient who has been discontinued for failure to submit a complete QR 7 requests restoration of CalWORKs during the calendar month following discontinuance, but after the first working day of the next QR Payment Quarter, the county shall determine if the recipient had good cause (Section 40-181.23(QR)) for failure to submit a complete report.

.942 Section 40-125.942(MR) shall become inoperative and Section 40-125.942(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If the recipient had good cause for failure to submit a complete report, the discontinuance action shall be rescinded, eligibility redetermined and the grant amount computed based on information contained in the complete CA 7 submitted by the recipient.

40-125	<b>REAPPLICATIONS, RESTORATIONS, AND COUNTY OF RESPONSIBILITY (Continued)</b>	40-125
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|           | (QR) If the recipient had good cause for failure to submit a complete report, the discontinuance action shall be rescinded, eligibility redetermined and the grant amount computed based on information contained on the complete QR 7 submitted by the recipient.  |
|           | .943 If the recipient is not found to have good cause, the CWD shall redetermine eligibility in accordance with Sections 40-125.91 and .92 (Requests for Restorations of Aid).  |
| (QR) .95  | Section 40-125.95(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.  |
| (QR)      | Restorations Based on Excess Property   |
| (QR)      | When a former recipient requests restoration of cash aid after a discontinuance due to excess property, the county shall verify that the AU did not transfer assets for less than fair market value (see Section 42-221).   |
| (QR) .951 | If an AU requests restoration of cash aid before the effective date of discontinuance, the county shall evaluate the property spend down and if the AU is verified property eligible, the county shall rescind the discontinuance.  |
| (QR) .952 | If an AU requests restoration after the effective date of discontinuance, the county shall determine the AU's eligibility and grant amount based on the information provided at the time of request for restoration. Beginning date of aid rules will apply (see Section 44-317). The AU may be assigned to the previous QR cycle or a new QR cycle based on the date of restoration. |
| (QR) .96  | Section 40-125.96(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.  |
| (QR)      | Restorations Based on Excess Income   |
| (QR)      | When an AU is discontinued due to excess income, the recipient may request restoration of cash aid if the AU experiences a loss or reduction of reasonably anticipated income that was used to determine financial ineligibility.   |
| (QR) .961 | If an AU requests restoration of cash aid before the effective date of discontinuance, the county shall determine income eligibility and rescind the discontinuance if the AU is found eligible.  |

<b>40-125</b>	<b>REAPPLICATIONS, RESTORATIONS, AND COUNTY OF RESPONSIBILITY (Continued)</b>	<b>40-125</b>
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| (QR) .962 | If an AU requests restoration after the effective date of discontinuance, the county shall determine the AU's eligibility and grant amount based on the information provided at the time of request for restoration. Beginning date of aid rules will apply (see Section 44-317). The AU may be assigned to the previous QR cycle or a new QR cycle based on the date of restoration. |
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NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 45 CFR 233.60, Section 3510 (October 1961), Federal Handbook of Public Assistance Administration; Section 11349, Government Code; Sections 10553, 10554, 10604, 11008, 11023.5, 11056, 11102, 11265.1, 11265.2, 11450.12, and 11451.5, Welfare and Institutions Code; and ACF-AT-94-5.

<b>40-126</b>	<b>PROCESSING APPLICATIONS</b>	<b>40-126</b>
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| .1 Promptness Requirement                                  | The determination of eligibility, including the gathering of any necessary evidence, shall be completed promptly. One of the following must be mailed within 45 calendar days starting with the first day after the filing of the application: an aid payment, a notice of denial, or a notice that the applicant is eligible.   |
| .11 Inability to Complete the Determination of Eligibility | Inability to complete the determination of eligibility within the 45-day period shall not be a basis for denying the application unless the delay is caused by the refusal of the applicant to participate in the gathering of evidence in accordance with Section 40-157. (See Section 40-171.11.) The specified time limit may be exceeded in situations where completion of the determination of eligibility is delayed because of circumstances beyond the control of the agency, in which instances the case record shows the cause for delay. These instances include: |
| .111   | Inability on the part of the recipient to provide necessary clarification.   |

40-126 (Cont.)	RECEPTION AND APPLICATION GENERAL	Regulations
40-126	<b>PROCESSING APPLICATIONS</b> (Continued)	<b>40-126</b>
	.112	Failure or delay on the part of an examining physician to provide all needed information.
	.113	Application is made prior to the date on which the applicant meets the eligibility requirements and the 45-day period terminates before the applicant meets such requirements. (See Section 40-171 regarding application held pending eligibility.)
.2		(Reserved)
.3	Requirements for Obtaining Evidence	
	.31 Require Only Evidence of Eligibility	The county shall require only evidence necessary to determine past or present eligibility for the amount or delivery of aid.
	.32 Notice of Required Evidence	Within ten calendar days of application, the county shall provide written notice to the applicant of the required evidence and examples of alternative evidence, if any, to determine eligibility.
	.321	The ten-day requirement shall be waived if the applicant fails to attend the scheduled interview or if the applicant requests that the interview be delayed beyond ten calendar days following application.
.33	Assist the Applicant in Obtaining Evidence	
	.331 Good Faith Effort	The county shall assist the applicant in obtaining evidence of eligibility from a third party when the county has determined that the applicant has made a good faith effort to obtain the evidence and the third party fails or refuses to provide the evidence.
	(a)	A "good faith effort" means that the applicant has attempted to comply within the limits of his/her resources.

<b>40-129</b>	<b>IMMEDIATE NEED (Continued)</b>	<b>40-129</b>
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- .912 The 15-working-day time frame shall apply to an Immediate Need payment request that was denied because the emergency situation was a lack of housing and the need was met by the issuance of a homeless assistance payment.
- .913 When the 15-working-day time frame cannot be met, the eligibility verification process shall continue.
- .92 If verification of eligibility is completed, and the applicant determined eligible, the county shall compute the aid payment in accordance with the beginning date of aid rules at MPP 44-317.13.
- .93 The amount of aid payment shall be the grant amount less any Immediate Need payment the county issued for that month.
- .94 The county shall issue the payment as soon as administratively possible.
- .95 When an Immediate Need payment has been issued, and the applicant family is determined to be ineligible for AFDC benefits, the application shall be denied.

NOTE: Authority cited: Sections 10553, 10554, and 11209, Welfare and Institutions Code. Reference: Sections 11056, 11266, and 11270, Welfare and Institutions Code; and 45 CFR 205.52, 206.10 and 233.10(a)(1)(iv).

<b>40-131</b>	<b>INTERVIEW REQUIREMENT</b>	<b>40-131</b>
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- .1 Interview Required Prior to Granting Aid
  - .11 A face-to-face interview with the applicant is required prior to the granting of aid. For the home visit requirement in AFDC, see Section 40-161.
  - .12 For any applicant who chooses to apply for both AFDC and food stamps, as specified in Section 40-107(a)(5)(B), the CWD shall conduct a single interview for both programs. AFDC applicants shall not be required to see a different eligibility worker or otherwise be subjected to two interview requirements to obtain the benefits of both programs.

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- .121 Following the single interview, the application may be processed by separate workers to determine the eligibility and benefit levels for food stamps and AFDC.

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<b>40-131</b>	<b>INTERVIEW REQUIREMENT (Continued)</b>	<b>40-131</b>
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.2 Inability of Applicant to Participate in Interview

When the applicant's appropriate Statement of Facts is to be completed on his/her behalf by a guardian, conservator, or other person as provided in Section 40-128, the application interview must be with such guardian, conservator, or other person and also with the applicant unless the applicant is unable to participate because of his/her physical or mental condition or is a child in foster care. The applicant's inability to participate in the interview must be determined by the county through personal contact with the applicant. Such personal contact is required before aid is authorized.

.3 Content of Application Interview

The application interview shall include discussion of the following as pertinent:

- | (a) The meaning of the eligibility requirements for both cash grant and medical assistance.
- | (b) The applicant's responsibility for reporting all facts and for notifying the county immediately of all changes of circumstances material to a correct determination of eligibility and grant.
- | (c) The joint responsibility which the county and the applicant have for exploring all the facts concerning eligibility, needs and income, and the circumstances under which the applicant will be held responsible for presenting records or documents in his possession to support his statements.

This includes the circumstances under which the applicant will be asked to secure statements of their earnings and deductions from their employers and to report both to the county.

- | (d) The confidential nature of all information disclosed to the CWD including circumstances under which information may be released to law enforcement officials. See Section 19-004.4.
- | (e) The kinds of evidence which may be needed to establish eligibility. (See Section 40-157.)
- | (f) The fact that an investigation may be undertaken with the full knowledge and consent of the applicant.
- | (g) The purpose and provisions of appropriate public social service programs. (See Services Regulations.)
- | (h) The availability of appropriate services and resources within the agency, including family planning (See Section 40-107(f)(2).).
- | (i) The availability of assistance or service under some other program either public or private if the needed assistance or service cannot be met by the county department.



<b>40-131</b>	<b>INTERVIEW REQUIREMENT (Continued)</b>	<b>40-131</b>
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- | (j) The right to request a state hearing in relation to any action or inaction of the county, including a verbal explanation, in a manner and language which the applicant understands, of the nature of the state hearing process.
- | (k) The purpose, provision, and availability of early and periodic screening, diagnosis and treatment services for children under the Child Health Disability Prevention (CHDP) program.
- | (l) The responsibility of a parent to support his or her children and the right of the parent or caretaker relative living with the child for whom aid is requested to claim exemption from the cooperation requirements as provided in Section 82-512. The law requires as conditions of eligibility:
  - (1) the assignment of accrued spousal and child support rights for himself or herself and for all children required to be in the AU, and that the receipt of public assistance operates as an automatic assignment unless there is a written refusal to assign such rights; and
  - (2) cooperation in the identification and location of the absent parent, establishment of paternity, and establishment and enforcement of the support obligation unless exempted in accordance with the provisions of Section 82-512.
- | (m) The furnishing of the Social Security Number (SSN) is a condition of eligibility required by Section 402(a)(25) of the Social Security Act, and that the SSN will be utilized in the administration of the AFDC Program.
- | (n) The fact that information regarding his/her eligibility will be requested through the automated Income and Eligibility Verification System (IEVS) and will be used to aid in determining their eligibility for assistance.
- | (o) The applicant's responsibility to apply for and take all appropriate steps to obtain specific benefits for which he/she appears to be potentially eligible.
- | (p) Section 40-131.3(p)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- | (MR) The availability of a reduced income supplemental payment and the necessity that an assistance unit request the payment in order for it to be provided.

<b>40-131</b>	<b>INTERVIEW REQUIREMENT (Continued)</b>	<b>40-131</b>
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| (MR) (See Section 44-400 regarding reduced income supplemental payments.)

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| (q) The applicant's responsibility to cooperate in a quality control review.

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See Chapter 40-200, Quality Control Cooperation Requirements.

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| (r) The availability of transitional child care benefits and transitional Medi-Cal benefits for recipients who are discontinued from AFDC due to certain employment-related circumstances.

(1) The county shall be permitted to discuss this information either at application or at time of approval.

| (s) The availability of program activities and supportive services of the GAIN Program for which applicants and recipients may be eligible. (See Sections 40-107(a)(6) and (a)(7).)

| (t) The actions which constitute an IPV and the penalties to be applied to an individual who committed an IPV.

| (u) At application and each annual redetermination, applicants/recipients shall receive an informing notice regarding the availability of Stage One child care (see Section 47-301.2).

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| (v) See Section 89-730 for the additional informing requirements for applicants subject to the California Work Pays Demonstration Project as specified in Division 89.

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| (w) The applicant's responsibility for identifying and providing information about third parties who may be liable for medical care and services.

<b>40-131</b>	<b>INTERVIEW REQUIREMENT (Continued)</b>	<b>40-131</b>
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- (x) The applicant's responsibility, as specified in Section 40-105.4(c), to secure age-appropriate immunizations for all children in the AU under the age of six. Applicants shall also be informed of any county-specific immunization requirements. This informing shall include but is not limited to the criteria for what constitutes good cause.
- (y) The requirement that all school-age children in the AU must regularly attend school as specified in Section 40-105.5(a). Applicants shall also be informed of any county-specific school attendance requirements. This informing shall include but is not limited to: what constitutes irregular school attendance, the criteria for what constitutes good cause, time frames for complying, and the penalties for not complying.
- (z) See Section 42-715 for instructions in handling the discussion of domestic abuse in the application interview process.

NOTE: Authority cited: Sections 10553, 10554, 10604, and 18904, Welfare and Institutions Code. Reference: Sections 10613, 11209, 11253.5, 11265.8, 11280, 11323.3, 11324.8(a), AB 312, Chapter 1568, Statutes of 1990, 11495.1, 11500(b), and 11511(a), Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); 7 U.S.C. 2020(i), 7 CFR 273.2(j), 42 U.S.C. 616(f), 682(c)(2), (3) and (4), 45 CFR 250.20, 45 CFR 250.40(a) and (b); 45 CFR 255.1; 45 CFR 256.1(b), and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193); California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996.

<b>40-157</b>	<b>PRINCIPLES AND METHODS OF DETERMINING ELIGIBILITY</b>	<b>40-157</b>
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.1 Principles of Gathering Evidence

- .11 All information secured in the process of determining eligibility shall be evaluated in light of its internal consistency.
- .12 Each piece of evidence shall be evaluated in light of the motives and adequacy of knowledge of the person completing the record or document or making the statement.
- .13 Evidence shall be evaluated qualitatively rather than quantitatively.
- .14 When evidence is conflicting, inconsistent or incomplete, the investigation shall be pursued to the point that the preponderance of evidence supports the determination regarding the applicant's eligibility.

.2 Methods of Gathering Evidence

- .21 The gathering of evidence necessary to make an eligibility determination of an applicant is a joint responsibility of the applicant and the county.

<b>40-157</b>	<b>PRINCIPLES AND METHODS OF DETERMINING ELIGIBILITY</b>	<b>40-157</b>
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(Continued)

- .211 The county shall inform the applicant what evidence is desired, why it is needed and how it will be used.
  - .212 The applicant shall cooperate with the county in the evidence gathering process to the fullest extent possible.
  - .213 When it is not possible for the applicant to obtain necessary evidence, the county shall obtain it for him.
  - .22 When needed in the evidence gathering process, and as evidence of the applicant's consent thereto, a specific consent form, signed by the applicant and, if necessary, by the spouse (by both parents in AFDC when this is possible) shall be obtained for each such contact. The consent form should cover the purpose of the specific contact as well as the individual or agency to be consulted. Form 228, Applicant's Authorization for Release of Information, may be used for this purpose. A signed consent form is not required when public records are used or for the purposes of verifying information obtained through IEVS in accordance with Section 20-006.5.
- .3 Participation by the Applicant
- If the applicant is able to assist in resolving incomplete, unclear or inconsistent statements on the Form CA 2 or is able to assist in the evidence gathering process but refuses to do either or both, the application shall be denied.

<b>40-159</b>	<b>SPECIAL PROVISIONS FOR DETERMINING ELIGIBILITY</b>	<b>40-159</b>
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- .1 Aid Received Previously in Another County
- When aid was received previously in another county, the county to which the recipient has moved will be responsible for determining the recipient's continued eligibility for payment of aid.

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For Medi-Cal eligibility, see Medi-Cal Eligibility Manual Section 50136.

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- .2 Aid Received Previously in Another Program
- When aid was received previously under another public social services program, or as medically needy only, the determination of eligibility made under such other program is to be used, to the maximum extent possible, in determining eligibility under this program. (See Section 40-185 and Beginning Date of Aid sections.)

<b>40-161</b>	<b>HOME VISIT</b>	<b>40-161</b>
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A home visit prior to approval of aid and prior to completion of periodic redetermination of eligibility pursuant to 40-181.1 is required when living arrangements or other factors affecting eligibility, or apparent eligibility in cases of immediate need or diversion, cannot be satisfactorily determined without such a visit. However, the recipient's failure to comply with the provisions of Section 40-181.22 will result in the termination of the recipient's grant without the requirement of a home visit.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11266.5 (Ch. 270, Stats. 1997), Welfare and Institutions Code.

<b>40-167</b>	<b>APPLICATION AND DETERMINATION OF ELIGIBILITY PROCEDURE FOR APPLICANTS IN STATE HOSPITALS WHO ARE TO BE RELEASED</b>	<b>40-167</b>
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Repealed by Manual Letter No. EAS-86-01 (effective 1/17/86).

<b>40-169</b>	<b>GAIN PARTICIPATION OR EMPLOYMENT REGISTRATION REQUIREMENTS FOR PERSONS APPLYING FOR AFDC OR INCLUDED IN THE ASSISTANCE UNIT</b>	<b>40-169</b>
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Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

<b>40-171</b>	<b>ACTION ON APPLICATIONS, INTERPROGRAM TRANSFERS AND INTRAPROGRAM STATUS CHANGES</b>	<b>40-171</b>
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.1 Application Held Pending

.11 Action Deferred

When the individual, family, or child is ineligible at the time of application as provided in W&IC 11052 but it appears there will be eligibility within 60 days, action on the application is withheld.

The applicant is notified of the withholding and of the date when action is to be taken. If the applicant is subsequently determined to be eligible, the beginning date of aid is determined as provided in the Aid Payment Chapter of these regulations.

.2 Actions -- General

Actions on applications consist of approvals, denials, withdrawals, or cancellations.

.21 Application or Request for Restoration Approved

<b>40-171</b>	<b>ACTION ON APPLICATIONS, INTERPROGRAM TRANSFERS AND INTRAPROGRAM STATUS CHANGES (Continued)</b>	<b>40-171</b>
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.211 Application Granted -- General

If eligibility is established aid to begin at a specified time shall be authorized on the date the determination of eligibility is completed.

(See Section 40-129 regarding applications granted on the basis of "immediate need" prior to the completion of the determination of eligibility.)

.212 Certification for Medical Assistance

Every applicant who is determined to be eligible shall be certified for medical assistance. If eligibility for medical assistance only is determined, the application is granted but is designated as "medically needy" and the applicant is certified for medical assistance. Certifications are to be made as provided in Medical Assistance Regulations, Title 22, California Administrative Code, Division 3, (W&IC 14017). The effective date of certification is determined as provided in Section 44-317.

.213 Restoration Following Discontinuance Due to Confinement in an Institution

Under this circumstance the county may elect to effect an "automatic restoration." To do this, two authorization documents shall be approved at the time aid is discontinued. On one form discontinuance is authorized. On the second form restoration of aid is authorized with no effective date specified. Upon release of the recipient from the institution the second authorization is completed by entering the effective date for restoration. (See Aid Payment Chapter.)

When aid is restored to a former recipient who has not during the period of discontinuance been known to the agency, the CA 2 shall be secured and any indicated determination of eligibility completed before aid is paid.

.22 Application or Request for Restoration Denied

.221 County action shall be taken to deny aid if:

- a. Proof of ineligibility for public assistance or for certification for medical assistance as medically needy is obtained. This does not apply when the applicant will become eligible with 60 days of his application. (See Section 40-171.11.)
- b. All reasonable facts concerning eligibility are examined without establishing eligibility.

<b>40-171</b>	<b>ACTION ON APPLICATIONS, INTERPROGRAM TRANSFERS AND INTRAPROGRAM STATUS CHANGES (Continued)</b>	<b>40-171</b>
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|      | c.   | The applicant's whereabouts is unknown.  |
|      | d.   | The applicant fails to complete the Form CA 2.   |
|      | e.   | Reserved   |
|      | f.   | Reserved   |
|      | g.   | Ineligibility occurs after the legal beginning date of aid but before action is taken to grant aid.        |
|      | h.   | The applicant establishes residence in another state before the determination of eligibility is completed. |
|      | i.   | Failure to cooperate in providing evidence of eligibility in accordance with Section 40-126.344(b).        |
|      | j.   | Refusal to cooperate in accordance with Section 40-105.1.  |
|      | k.   | Any person required to provide fingerprint and photo images refuses or otherwise fails to do so.           |
| .23  | Application or Request for Restoration Withdrawn   |  |
| .231 | An application can be withdrawn only upon the voluntary initiative of the applicant or person applying on his behalf. The request for withdrawal shall be in writing.  |  |
| .232 | There is no requirement that denial action be taken on an application which has been withdrawn.  |  |
| .233 | The Notice of Applicant Who Withdraws Application form is mailed or given to the applicant unless the county elects to take denial action, when the notification is by means of the appropriate Notice of Action form or its equivalent. |  |

<b>40-171</b>	<b>ACTION ON APPLICATIONS, INTERPROGRAM TRANSFERS AND INTRAPROGRAM STATUS CHANGES (Continued)</b>	<b>40-171</b>
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.24 Application or Request for Restoration Cancelled

- .241 An application or request for restoration of a cash grant is considered cancelled if the applicant dies before the determination is completed.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10830, 11201 (Ch. 270, Stats 1997) and 11275, Welfare and Institutions Code; and 42 USC 402(a)(6).

<b>40-173</b>	<b>COUNTY DEPARTMENT RESPONSIBILITY FOR NOTIFYING APPLICANTS AND RECIPIENTS</b>	<b>40-173</b>
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Prior to county action (except as provided in .7 below), the applicant or recipient shall be (a) notified of any county action which relates to his application, affects aid payment to him or his certification for medical assistance, or affects aid payments to him or his family, and (b) informed of his responsibility for reporting facts material to the determination of his eligibility. Such notification, advice, etc., shall be in simple understandable language. Required notifications are:

- .1 Section 40-173.1(MR) shall become inoperative and Section 40-173.1(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Notice of County Action Granting Aid, Changing the Amount of the Grant or Changing the Recipient's Status

(QR) Notice of County Action Granting Aid, Changing the Amount of the Grant, Changing the Recipient's Status or Not Changing the Amount of the Grant Following the Submittal of a Recipient Mid-quarter Report.

Use appropriate Notice of Action form. Use appropriate Notice of Action form to report county action authorizing a supplemental grant or changing status from a cash grant to MN. (See Section 40-183.)

- .2 Notification When Application is Held Pending Eligibility

Use appropriate Notice of Action form.



<b>40-173</b>	<b>COUNTY DEPARTMENT RESPONSIBILITY FOR NOTIFYING APPLICANTS AND RECIPIENTS (Continued)</b>	<b>40-173</b>
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.3 Notice of County Action Denying, Cancelling or Discontinuing Aid

Use appropriate Notice of Action form. (See Sections 22-021 and 22-022.)

.4 Notification When Application is Withdrawn

Use the Notice to Applicant Who Withdraws Application form. If the county elects to deny the application, use appropriate Notice of Action form.

.5 Notice to Recipient of His/Her Responsibility

Use the CA 2 instruction sheet to notify the recipient of his/her responsibilities according to Section 40-181. The notification shall be given at least the following times:

.51 At the time of the initial application on new cases or restorations.

.52 At the time of annual redetermination of eligibility.

.6 Confirmation of Guidance and/or Suggestions Regarding Sale of Property

Regarding the sale of his real or personal property, written confirmation given to the applicant or recipient. Such written confirmation shall include a statement regarding the effect of the proposed sale on eligibility. A copy of such confirmation shall be filed in the case record.

.7 Notification of Child/Spousal Disregard Payment

.71 An informational notice must be sent no later than concurrently with each child/spousal support disregard payment issued under Section 82-520.4. The notice language developed by the California Department of Social Services for this purpose shall be used.

<b>40-173</b>	<b>COUNTY DEPARTMENT RESPONSIBILITY FOR NOTIFYING APPLICANTS AND RECIPIENTS (Continued)</b>	<b>40-173</b>
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.8 Section 40-173.8(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Notification of Income Reporting Threshold (IRT)

(QR) Counties must inform each AU in writing of their individual IRT at least once per quarter. Informing shall also occur when MAP amount changes, when the AU or family MAP size changes, when there is a change of persons who are required to report income, at redetermination, or upon recipient request. The informing notice shall include:

(QR) .81 The requirement to report the receipt of gross monthly income that exceeds the IRT;

(QR) .82 The dollar amount of gross monthly income for the family MAP that exceeds the IRT; and

(QR) .83 The consequences of failing to report.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10613, 11209, 11265.3, 11500(b), 11502(a) and (b), and 11511(a), Welfare and Institutions Code; 45 CFR 250.20; 45 CFR 250.40(b); 45 CFR 255.1; 45 CFR 256.1(b); 45 CFR 256.2(b)(1); 45 CFR 256.4(c); and Administration for Children and Families-Action Transmittal-91-1, dated June 16, 1992; and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193); California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996.

<b>40-181</b>	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b>	<b>40-181</b>
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.1 General County Responsibility

(a) Section 40-181.1(a)(MR) shall become inoperative and Section 40-181.1(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

<b>40-181</b>	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b>	<b>40-181</b>
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(Continued)

- (MR) The CWD paying aid shall be responsible for continuing to determine eligibility to insure payment only to eligible recipients in the correct amount, to assist recipients to meet their financial and service needs as fully as possible, and to make maximum use of their resources and capabilities. For AFDC-FG or U cases, eligibility shall be established by the use of the CA 2 at the time of application and then at one year intervals, and also by the CA 7 (Monthly Eligibility Report).
- (QR) The county paying aid shall be responsible for continuing to determine eligibility to insure payment only to eligible recipients in the correct amount, to assist recipients to meet their financial and service needs as full as possible, and to make maximum use of their resources and capabilities. For CalWORKs cases, eligibility shall be established by the use of the SAWS 2 at the time of application and then at one-year intervals, and also by the QR 7, and by recipients mid-quarter reports (see Section 44-316(QR) also see Section 82-832.3(QR)).
- (1) Section 40-181.1(a)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (QR) Eligibility regarding deprivation, household/AU composition, property, and the transfer of assets for less than fair market value shall only be determined on a quarterly basis based on the information reported on the QR 7. The county shall compare the information reported on the QR 7 with mid-quarter recipient reports (see Section 44-316(QR)) for accuracy. (Also see Section 82-832.3(QR).)
- (b) Section 40-181.1(b)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The CWD shall send the Reduced Income Supplemental Payment Request Form, CA 40, monthly to all assistance units which have reported income and for two months following a termination of reported income.
- (c) AFDC-FC and Kin-GAP cases
- (1) For AFDC-FC cases, eligibility shall be established by use of the CA 2 at the time of application if the parent or legal guardian is available and cooperating. If the parent or legal guardian is unavailable or not cooperating, eligibility shall be established by use of the CA 2 or FC 2. AFDC-FC eligibility shall be reestablished by use of the CA 2 or FC 2 at six-month intervals.

40-181	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b> (Continued)	40-181
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- (2) For children receiving Kin-GAP, eligibility shall be established by use of the KG 2 at the time of application. Kin-GAP eligibility shall be reestablished by use of the KG 2 at one-year intervals.
- (d) Section 40-181.1(d)(MR) shall become inoperative and Section 40-181.1(d)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Additional determinations shall be made as necessary if unexpected changes in income, property or other circumstances occur which affect the eligibility or grant level of the recipient.
- (QR) Additional determinations shall be made as necessary if unexpected changes in income or other circumstances occur which affect the eligibility or grant level of the recipient in accordance with Section 44-316(QR).
- (e) Issuance of aid in the correct amount is a primary program objective. To achieve this objective it is essential that the county shall:
  - (1) Section 40-181.1(e)(1)(MR) shall become inoperative and Section 40-181.1(e)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.
  - (MR) Give applicants and recipients at the time of application and at least once every twelve months thereafter complete explanations in writing regarding factors which may cause ineligibility, underpayments or overpayments, penalties due to an IPV, and their responsibility to report changes within five calendar days (Section 40-105.14(MR), Applicant and Recipient Responsibility). The factors which are to be explained shall include changes in income and resources, changes in need, etc. These requirements are met by the use of the CA 2 in CalWORKs. These requirements are met by the use of the KG 2A in Kin-GAP. Verbal explanations shall also be given when necessary to assure understanding. The recipient shall signify his/her understanding of his/her responsibilities in writing.

40-181	CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY	40-181
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(Continued)

- (QR) Give applicants and recipients at the time of application and at least once every 12 months thereafter complete explanations in writing regarding factors which may cause ineligibility, underpayments or overpayments, penalties due to an IPV, and their responsibility to report changes as prescribed by Section 40-105.14(QR) (Applicant and Recipient Responsibility). The factors which are to be explained shall include changes in income and resources, changes in need, etc. These requirements are met by the use of the SAWS 2A-QR in CalWORKs. These requirements are met by the use of the KG 2A in Kin-GAP. Verbal explanations shall also be given when necessary to assure understanding. The recipient shall signify his/her understanding of his/her responsibilities in writing.
- (2) Section 40-181.1(e)(2)(MR) shall become inoperative and Section 40-181.1(e)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) In CalWORKs, the monthly redetermination of eligibility shall follow the procedures described above. This requirement is met by the use of the CA 7. The CA 7 shall be carefully checked each month upon its receipt so that correct grant computations are made. Special care should be taken to correct grant adjustments for overpayments when income/resources change.
- (QR) In CalWORKs, the quarterly redetermination of eligibility shall follow the procedures described above. This requirement is met by the use of the QR 7. The QR 7 shall be carefully checked each quarter upon its receipt so that correct grant computations are made. Special care should be taken to correct grant adjustments for overpayments when income/resources change.
- (3) All applicants for, and recipients of, assistance shall be notified in writing at the time of application, and at each redetermination that information available through IEVS will be requested, used, and may be verified through collateral contact when discrepancies are found by the CWD, and that such information may affect his or her eligibility and level of benefits.

<b>40-181</b>	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b>	<b>40-181</b>
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(Continued)

- (4) In reunification cases, as defined in Section 80-301(r)(4), the parents shall be subject to a six-month CalWORKs eligibility redetermination based on the criteria in Section 40-181.2. The six-month period shall coordinate with the court's review of the reunification plan.
- (5) An eligibility redetermination shall be required to restore cash aid to the CalWORKs case when a family is reunified.
- (f) Aid shall not be discontinued nor a warrant cancelled without compliance with Section 22-022.
- (g) Section 40-181.1(g)(MR) shall become inoperative and Section 40-181.1(g)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Aid shall not be discontinued due solely to circumstances beyond the control of the recipient which prevents reporting changes within five calendar days or the prompt return of the CA 2 or CA 7 eligibility redetermination forms.
- (QR) Aid shall not be discontinued due solely to circumstances beyond the control of the recipient which prevents reporting changes that are required to be reported within ten calendar days of the change or prevents the prompt return of the SAWS 2 or QR 7 eligibility redetermination forms.
- (h) The county is responsible for continuing identification of service needs of the recipient, including medical assistance, and to provide prompt referral for these services.
- (i) Referrals for child abuse and neglect are mandatory and may be made without the knowledge or consent of the relative or other person with whom the child is residing.
  - (1) Income Maintenance staff shall refer to protective services whenever they suspect a child is being abused, neglected or exploited or that the home in which the child is living is unsuitable.
  - (2) Income Maintenance staff shall cooperate with protective services, the court, or other agency in planning or implementing action in the best interest of the child.

40-181	CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY	40-181
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(Continued)

- (j) Index and file controls shall be established and maintained to ensure appropriate and timely action on items which could affect the recipients' eligibility or the amount of aid. This includes, but is not limited to, maintaining a "tickler file" informing eligibility workers when annual redeterminations are due.
- (k) Documents and/or evidence required of the applicant/recipient to support the initial and/or continuing determination of eligibility must be received by the county on or before the appropriate deadline established by the county and/or in conjunction with each Eligibility Chapter or these regulations. However, when the deadline falls on a Saturday, Sunday or holiday, the documents and/or evidence received on the first business day following the weekend or holiday shall have the same effect as if it had been received on the appointed day.
- (l) At each annual redetermination, recipients shall receive an informing notice regarding the availability of Stage One child care (see Section 47-301.2).
- (m) The county shall inform recipients in writing as specified in Section 40-105.4(c) of the requirement to obtain age-appropriate immunizations for all children in the AU under the age of six. Recipients shall also be informed of any county-specific immunization requirements. This informing shall include but is not limited to the criteria for what constitutes good cause, as defined by the county.
- (n) The county shall inform recipients in writing of the requirement that all school-age children in the AU must regularly attend school, as specified in Section 40-105.5(a). Recipients shall also be informed of any county-specific school attendance requirements. This informing shall include but is not limited to: what constitutes irregular school attendance, the criteria for what constitutes good cause, time frames for complying, and the penalties for not complying.
- (o) See Section 42-715 for general county responsibilities for addressing domestic abuse as part of continuing activities and eligibility determination.

.2 Periodic Determination of Eligibility

- .21 A redetermination of all circumstances of the recipient subject to change shall be completed at least once every twelve (12) months. The applicant/recipient shall complete the appropriate Statement of Facts at the time of application and at least once every 12 months after determination of eligibility. At the time of the annual redetermination and completion of the appropriate Statement of Facts, each recipient shall be either given or mailed informational material required by SDSS.

40-181	CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY (Continued)	40-181
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- .211 For AFDC-FG/U brochures describing benefits available under the Child Health and Disability Prevention (CHDP) program and how and where the benefits are provided within the county shall be given to the recipient during the redetermination interview specified in .311 below. Provisions of CHDP informational material shall be documented by notation upon the CA 2 form.
- .212 Section 40-181.212(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Recipients of AFDC-FG/U shall be informed of the availability of reduced income supplemental payments and of the necessity that an assistance unit request the payment in order for it to be provided.
- .213 The determination shall be considered completed as soon as the appropriate Statement of Facts has been reviewed and a decision made and recorded by the Eligibility Worker as to whether eligibility continues or ineligibility exists. The next due date for completion of the Statement of Facts shall be established in relationship to this decision. In no event shall the decision on the completed Statement of Facts be delayed solely for the purpose of avoiding a change in the periodic due date of determination of eligibility.
- .214 If a recipient's circumstances change in such a way that it is necessary to review certain aspects of eligibility before the next Statement of Facts is due, the county shall decide whether a new Statement of Facts shall be completed. If the county decides it is necessary that the Statement of Facts be completed before the scheduled redetermination date, the next due date shall be adjusted accordingly.
- .215 If the recipient is receiving or is potentially eligible to receive unconditionally available income, including but not limited to Old Age, Survivors, and Disability Insurance (OASDI) or benefits available to veterans of military service, it shall not be necessary to initiate a verification or referral procedure unless circumstances indicate a change in the recipient's eligibility for the benefit.
- .216 If, during a redetermination, the county determines that a recipient is no longer exempt from cooperation requirements, the county shall enforce those requirements.



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- a. See Section 82-510, Cooperation Requirements

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.217 Section 40-181.217(QR) and Handbook Section 40-181.217(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) If the redetermination process is established outside of the QR Data Month, the county shall act mid-quarter on all information to increase, decrease, or discontinue cash aid as appropriate.

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(QR) Counties are encouraged to align the CalWORKs redetermination period with the Food Stamp Program recertification period (Section 63-504) to the extent possible. In addition, counties are strongly encouraged to align the submission of the annual redetermination with the submission of the QR 7, so that the QR Data Month information is also the information used for the redetermination.

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.22 Section 40-181.22(MR) shall become inoperative and Section 40-181.22(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) AFDC recipients other than AFDC-FC shall, in addition to the annual completion of the CA 2, complete and return the CA 7 to the County Welfare Department (CWD) by the 5th calendar day of each report month but not before the first calendar day of that month. CA 7s not received by the 11th of the month shall be considered late.

(QR) CalWORKs recipients shall, in addition to the annual completion of the SAWS 2, complete and return the QR 7 to the county by the 5th calendar day of each QR Submit Month but not before the first calendar day of that month. QR 7s not received by the 11<sup>th</sup> of the QR Submit Month shall be considered late.

40-181	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b> (Continued)	40-181
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.221 Section 40-181.221(MR) shall become inoperative and Section 40-181.221(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Late CA 7s

(QR) Late QR 7s

(a) Section 40-181.221(a)(MR) shall become inoperative and Section 40-181.221(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When the CA 7 is not received by the eleventh day of the report month or the CA 7 is received but is not complete in accordance with the completeness criteria specified in Section 40-181.241(MR), the CWD shall send the appropriate discontinuance notice.

(QR) When the QR 7 is not received by the 11<sup>th</sup> day of the QR Submit Month or the QR 7 is received but is not complete in accordance with the completeness criteria specified in Section 40-181.241(QR), the county shall send the appropriate discontinuance notice.

(b) Section 40-181.221(b)(MR) shall become inoperative and Section 40-181.221(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When a CA 7 has not been received at the CWD after the notice of discontinuance has been sent, the CWD shall attempt to make a personal contact with the recipient either by telephone or in a face-to-face meeting. During the personal contact the CWD shall remind the recipient that a complete CA 7 must be received by the CWD no later than the first working day of the payment month.

<b>40-181</b>	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b>	<b>40-181</b>
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(Continued)

(QR) When a QR 7 has not been received at the county after the notice of discontinuance has been sent, the county shall attempt to make a personal contact with the recipient either by telephone or in a face-to-face meeting. During the personal contact the county shall remind the recipient that a complete QR 7 must be received by the county no later than the first working day of the next QR Payment Quarter.

(1) When the recipient cannot be personally contacted, a written reminder notice, which shall include language specified by SDSS, shall be mailed no later than five days prior to the last calendar day of the report month. Under no circumstances shall the reminder notice be mailed in the same envelope as the discontinuance notice required in Section 40-181.221(a).

(c) The CWD shall document in the case file how and when the contact was attempted or made.

(d) Section 40-181.221(d)(MR) shall become inoperative and Section 40-181.221(d)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If the recipient contacts the welfare office on the first working day of the payment month to report nonreceipt of his or her warrant, the CWD shall inform the recipient of a pending discontinuance due to nonreceipt of a complete CA 7 and shall inform him/her that the discontinuance will be rescinded if a complete CA 7 is received by the end of that day.

(QR) If the recipient contacts the county on the first working day of the QR Payment Quarter to report nonreceipt of his or her warrant, the county shall inform the recipient of a pending discontinuance due to nonreceipt of a complete QR 7 and shall inform him/her that the discontinuance will be rescinded if a complete QR 7 is received by the end of that day.

40-181	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b> (Continued)	40-181
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(e) Section 40-181.221(e)(MR) shall become inoperative and Section 40-181.221(e)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD shall not take action to notify the Child Support Enforcement Unit of the District Attorney's Office of any affected employment or training program of a CA 7 related discontinuance until after the first working day of the payment month.

(QR) The county shall not take action to notify the Local Child Support Agency or any affected employment or training program of a QR 7 related discontinuance until after the first working day of the next QR Payment Quarter.

.222 Processing Late CA 7s

(a) Section 40-181.222(a)(MR) et seq. shall become inoperative and Section 40-181.222(a)(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If a complete CA 7 is received after the eleventh but on or before the first working day of the payment month, the CWD shall:

(MR) (1) Rescind the discontinuance action; and

(MR) (2) Determine eligibility based on the information reported on the CA 7; and

(3) Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

(QR) If a complete QR 7 is received after the 11<sup>th</sup> but on or before the first working day of the next QR Payment Quarter, the county shall:

(QR) (1) Rescind the discontinuance action; and

(QR) (2) Determine eligibility based on the information reported on the QR 7.

<b>40-181</b>	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b>	<b>40-181</b>
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(Continued)

(b) Upon the request of the recipient, the CWD shall determine whether the recipient had good cause for failure to submit a timely report of earnings in accordance with Section 40-181.23

.223 Section 40-181.223(MR) shall become inoperative and Section 40-181.223(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) In reunification cases, as defined in Section 80-301(r)(4), the parents are not required to submit a monthly eligibility report as long as the reunification plan remains in place.

(QR) In reunification cases, as defined in Section 80-301(r)(4), the parents are not required to submit a quarterly eligibility report as long as the reunification plan remains in place.

.23 Section 40-181.23(MR) shall become inoperative and Section 40-181.23(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Good Cause Determination for Failure to Submit a Complete CA 7 Timely

(MR) A recipient may have good cause for not meeting the monthly reporting requirements. Good cause exists only when the recipient cannot reasonably be expected to fulfill his/her reporting responsibilities due to factors outside of his/her control. The burden of proof rests with the recipient.

(QR) Good Cause Determination for Failure to Submit a Complete QR 7 Timely

(QR) A recipient may have good cause for not meeting the quarterly reporting requirements. Good cause exists only when the recipient cannot reasonably be expected to fulfill his/her reporting responsibilities due to factors outside of his/her control. The burden of proof rests with the recipient.

.231 Section 40-181.231(MR) shall become inoperative and Section 40-181.231(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

40-181	CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY	40-181
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(MR) A good cause exemption shall only be granted if the request is made by the parent, other caretaker relative, or an authorized representative unless a good cause determination is required in accordance with Section 40-125.94(MR) (Requests for Restoration in the Calendar Month Following a CA 7 Discontinuance).

(QR) A good cause exemption shall only be granted if the request is made by the parent, other caretaker relative, or an authorized representative unless a good cause determination is required in accordance with Section 40-125.94(QR) (Restoration in the Calendar Month Following a QR 7 Discontinuance).

(a) Section 40-181.231(a)(MR) shall become inoperative and Section 40-181.231(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A request is defined as any clear expression to the CWD, whether verbal or written, that the recipient wants an opportunity to present his/her explanation for not meeting the monthly reporting requirements. A request for State Hearing also may be considered a request for good cause determination when the issue to be heard specifically relates to Section 40-181.22(MR).

(QR) A request is defined as any clear expression to the county, whether verbal or written, that the recipient wants an opportunity to present his/her explanation for not meeting the quarterly reporting requirements. A request for a State Hearing also may be considered a request for good cause determination when the issue to be heard specifically relates to Section 40-181.22(QR).

.232 In lieu of a request, as required by .231 above, a county has the discretion to independently determine that one of the situations specified in .233 below exists.

.233 Good cause exists in only the following situations:

(a) When the recipient is suffering from a mental or physical condition which prevents timely and complete reporting.

(b) When the recipient's failure to submit a timely and complete report is directly attributable to county error.

(c) When the county finds other extenuating circumstances.

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.234 When the recipient has good cause for not reporting timely, the county shall rescind the discontinuance.

.24 Section 40-181.24(MR) shall become inoperative and Section 40-181.24(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Criteria for Evaluating Information Reported on the CA 7

(QR) Criteria for Evaluating Information Reported on the QR 7

.241 Section 40-181.241(MR) shall become inoperative and Section 40-181.241(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) For CalWORKs purposes, a CA 7 is complete when all the following requirements are met:

(QR) For CalWORKs purposes, a QR 7 is complete when all the following requirements are met:

(a) Section 40-181.241(a)(MR) shall become inoperative and Section 40-181.241(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The date the CA 7 (Rev. 7/87) is signed shall be no earlier than the first day of the report month.

(QR) The date the QR 7 is signed shall be no earlier than the first day of the QR Submit Month.

(1) Section 40-181.241(a)(1)(MR) shall become inoperative and Section 40-181.241(a)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

40-181	CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY	40-181
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(MR) This requirement is met when the date entered on the CA 7 by the recipient, together with other dated material provided with the CA 7 and the date on which the CWD mailed or gave the CA 7 to the recipient, clearly establishes that the CA 7 was signed no earlier than the first day of the report month.

(QR) This requirement is met when the date entered on the QR 7 by the recipient, together with other dated material provided with the QR 7 and the date on which the county mailed or gave the QR 7 to the recipient, clearly establishes that the QR 7 was signed no earlier than the first day of the QR Submit Month.

(2) Section 40-181.241(a)(2)(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) This requirement does not apply when:

(MR) (A) The first day of the report month falls on a nonpostal delivery day;

(MR) (B) The CA 7 is mailed by the CWD for delivery on the last postal delivery day of the budget month; and

(MR) (C) The recipient signs and dates the CA 7 on or before the last day of the budget month.

(b) Section 40-181.241(b)(MR) shall become inoperative and Section 40-181.241(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The address along with other information provided on the CA 7 shall be sufficient for county administrative purposes, including the ability to locate the recipient; and

(QR) The address along with other information provided on the QR 7 shall be sufficient for county administrative purposes, including the ability to locate the recipient; and



40-181	CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY	40-181
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- (c) Section 40-181.241(c)(MR) shall become inoperative and Section 40-181.241(c)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The CA 7 shall be signed by each natural or adoptive parent or aided spouse of a parent or other caretaker relative living in the home, unless an individual so specified is temporarily absent from the home (see Section 82-812); and
- (QR) The QR 7 shall be signed under penalty of perjury by each natural or adoptive parent or aided spouse of a parent or other caretaker relative living in the home, unless an individual so specified is temporarily absent from the home (see Section 82-812); and
- (d) (Reserved)
- (e) Section 40-181.241(e)(MR) shall become inoperative and Section 40-181.241(e)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The response to all questions pertaining to AFDC eligibility and grant amount shall provide the CWD with information sufficient to answer the question. The information provided on the CA 7 together with the submitted evidence must be sufficient for the county to determine eligibility and/or grant amounts. This includes the income and any change in resources of a stepparent living in the home, and any person who is required to apply for aid under Section 40-118 but is excluded from the assistance unit. Reported income shall include earned, unearned, exempt, and nonexempt income received during the budget month; and
- (QR) The response to all questions pertaining to CalWORKs eligibility and grant amount shall provide the county with information sufficient to answer the question. The information provided on the QR 7 together with the submitted evidence must be sufficient for the county to determine eligibility and/or grant amounts. This includes the income and any change in resources of a stepparent living in the home, and any person who is required to apply for aid under Section 40-118 but is excluded from the AU. Reported income shall include earned, unearned, exempt, and nonexempt income received during the QR Data Month and income reasonably anticipated to be received during the next QR Payment Quarter; and

40-181	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b> (Continued)	40-181
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- (f) Section 40-181.241(f)(MR) shall become inoperative and Section 40-181.241(f)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Evidence shall be submitted with the CA 7 to verify the gross amount of all earned income received and the date of receipt. Evidence shall be submitted to verify initial receipt of or a change in the amount of unearned income received. Such evidence includes but is not limited to: pay stubs, letters of award or benefits (such as unemployment, disability, or Social Security), statements showing interest income, dividend income, tax return showing the amount of EIC received, etc. Documents and records submitted with the CA 7 shall be promptly returned to the recipient; and
- (QR) Evidence shall be submitted with the QR 7 to verify the gross amount of all earned income received and the date of receipt. Evidence shall be submitted to verify initial receipt of or a change in the amount of unearned income received. Such evidence includes but is not limited to: pay stubs, letters of award or benefits (such as unemployment, disability, or Social Security), statements showing interest income, dividend income, tax return showing the amount of EIC received, etc. Documents and records submitted with the QR 7 shall be promptly returned to the recipient; and
- (g) Section 40-181.241(g)(MR) shall become inoperative and Section 40-181.241(g)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Information reported on the CA 7 must be consistent with other information which the county has verified to be accurate; and
- (QR) Information reported on the QR 7 must be consistent with other information which the county has verified to be accurate; and
- (h) Section 40-181.241(h)(MR) shall become inoperative and Section 40-181.241(h)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The CA 7 shall include form CA 72 (as defined in .25(MR) below) when the recipient is a sponsored alien.

<b>40-181</b>	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b>	<b>40-181</b>
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(QR) The QR 7 shall include form QR 72 (as defined in Section 40-181.25(QR)) when the recipient is a sponsored alien.

(i) Section 40-181.241(i)(MR) shall become inoperative and Section 40-181.241(i)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The Supplemental Monthly Income Report (CA 73) shall be submitted with the CA 7 when a minor parent (see Section 44-133.51) lives with his/her senior parent. The completeness of the CA 73 shall be determined using the criteria for evaluating the completeness of the CA 7.

(QR) The Senior Parent Quarterly Income Report (QR 73) shall be submitted with the QR 7 when a minor parent lives with his/her senior parent (see Section 89-201.5). The completeness of the QR 73 shall be determined using the criteria for evaluating the completeness of the QR 7.

.242 Failure to provide the information or evidence specified in .241(MR) above shall result in the discontinuance of the assistance unit unless otherwise specified in .25(MR) and .26(MR) below. (See Section 40-181.22(MR).)

.243 The following information or evidence shall be provided before the appropriate deduction or disregard from earnings is allowed:

(a) Verification of self-employment expenses (see Section 44-113.212(MR)).

.244 Section 40-181.244(MR) shall become inoperative and Section 40-181.244(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Failure to provide the information or evidence specified in .243 above shall result in the disallowance of the deduction. Failure to provide the information on the form or to provide the evidence shall not, in and of itself, render the CA 7 incomplete as defined in .241(MR) above.

40-181	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b> (Continued)	40-181
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(QR) Failure to provide the information or evidence specified in Section 40-181.243 shall result in the disallowance of the deduction. Failure to provide the information on the form or to provide the evidence shall not, in and of itself, render the QR 7 incomplete as defined in Section 40-181.241(QR).

.25 Sponsored Alien Reporting.

Section 40-181.25(MR) shall become inoperative and Section 40-181.25(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) In addition to the Monthly Eligibility Report (CA 7), the recipient who is a sponsored alien as defined in Section 43-119 shall report the income and resources of the sponsor.

(QR) In addition to the Quarterly Eligibility Report (QR 7), the recipient who is a sponsored alien as defined in Section 43-119 shall report the income and resources of the sponsor.

.251 Section 40-181.251(MR) shall become inoperative and Section 40-181.251(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

Reporting of the sponsor's income and resources.

(MR) The recipient shall submit a completed Sponsors Monthly Income and Resources Report (CA 72) to the CWD. The recipient is responsible for obtaining all information necessary to complete the CA 72 and for obtaining any cooperation necessary from the sponsor.

(QR) The recipient shall submit a completed Sponsors Quarterly Income and Resources Report (QR 72) to the county. The recipient is responsible for obtaining all information necessary to complete the QR 72 and for obtaining any cooperation necessary from the sponsor.

.252 Section 40-181.252(MR) shall become inoperative and Section 40-181.252(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

<b>40-181</b>	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b>	<b>40-181</b>
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(Continued)

(MR) The CA 72 shall be due by the 5th calendar day of each month but not before the first calendar day of the report month. When the CWD has not received the completed CA 72 by the 11th calendar day of the report month, the recipient has not met the requirement for returning a complete CA 7. See Section 40-181.22(MR). The CA 72 shall be considered complete if all the following requirements are met:

(QR) The QR 72 shall be due by the 5<sup>th</sup> calendar day of the QR Submit Month but not before the first calendar day of the next QR Payment Quarter. When the county has not received the completed QR 72 by the 11<sup>th</sup> calendar day of the QR Submit Month, the recipient has not met the requirement for returning a complete QR 7. See Section 40-181.22(QR). The QR 72 shall be considered complete if all the following requirements are met:

(a) Section 40-181.252(a)(MR) shall become inoperative and Section 40-181.252(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Dated no earlier than the first day of the report month; and

(QR) Dated no earlier than the first day of the QR Submit Month; and

(b) The boxes for the address and county where signed shall be completed; and

(c) Signed by the sponsor and the recipient; and

(d) All questions and items pertaining to the income and resources of the sponsor shall be fully answered; and

(e) The information together with the submitted evidence must provide the CWD with the necessary information to correctly determine the amount of income and resources to be deemed to the recipient; and

(f) Section 40-181.252(f)(MR) shall become inoperative and Section 40-181.252(f)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

40-181	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b>	40-181
	(Continued)	

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|      | (MR) | Evidence shall be submitted with the CA 72 to establish the gross amount of income received by the sponsor, and the date of receipt. See Section 40-181.241(f)(MR) for examples of acceptable evidence.   |
|      | (QR) | Evidence shall be submitted with the QR 72 to establish the gross amount of income received by the sponsor, and the date of receipt. See Section 40-181.241(f)(QR) for examples of acceptable evidence.   |
| .253 |      | Section 40-181.253(MR) shall become inoperative and Section 40-181.253(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.   |
|      | (MR) | A complete CA 7 includes form CA 72 (as defined in .251(MR) above) when a member of the FBU is a sponsored alien. The failure to provide a completed CA 72 on or before the 1st calendar day of the payment month shall result in discontinuance for those members of the FBU who are sponsored aliens.                             |
|      | (QR) | A complete QR 7 includes form QR 72 (as defined in Section 40-181.251(QR)) when a member of the AU is a sponsored alien. The failure to provide a completed QR 72 on or before the 1 <sup>st</sup> calendar day of the next QR Payment Quarter shall result in discontinuance for those members of the AU who are sponsored aliens. |
| .26  |      | Section 40-181.26(MR) shall become inoperative and Section 40-181.26(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.   |
|      | (MR) | Failure to report or verify the receipt of a child/spousal support disregard payment issued under Section 43-203.11 will not result in an incomplete CA 7 nor in termination of aid.  |
|      | (QR) | Failure to report or verify the receipt of a child/spousal support disregard payment issued under Section 82-520.2 will not result in an incomplete QR 7 nor in termination of aid.   |

<b>40-181</b>	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b>	<b>40-181</b>
	(Continued)	

.3 Methods of Periodic Determination of Eligibility

.31 Regulations governing the method of the initial determination also govern all continuing and periodic determinations. (See Sections 40-157 and 40-161.)

.311 Annual redeterminations, using the CA 2 form, shall include an interview with the parent or person responsible for the child. Where the parent is institutionalized, the interview should be conducted with the person having the responsibility for care and control of the child. This interview shall include a discussion of the recipient's responsibility to cooperate in a quality control review [see Section 40-131.3 (q)].

.312 Section 40-181.312(MR) shall become inoperative and Section 40-181.312(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Monthly redeterminations using the CA 7 form, or special nonscheduled investigations conducted by the county, may include an interview with the parent or person responsible for the child.

(QR) Quarterly redeterminations using the QR 7 form, or special nonscheduled investigations conducted by the county, may include an interview with the parent or person responsible for the child.

.32 Section 40-181.32(MR) shall become inoperative and Section 40-181.32(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) The recipient's statements or the statements of his/her guardian or any other person acting for him/her and completing the appropriate Statement of Facts and CA 7(s), together with information obtained from all other sources, shall be assessed in the light of facts previously known and in relation to potentials for change in eligibility status or amount of grant.

(QR) The recipient's statements or the statements of his/her guardian or any other person acting for him/her and completing the appropriate Statement of Facts and QR 7(s), together with information obtained from all other sources, shall be assessed in the light of facts previously known and in relation to potentials for change in eligibility status or amount of grant.

<b>40-181</b>	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b>	<b>40-181</b>
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(Continued)

- .33 Failure to comply with the requirements of any periodic determination of eligibility shall result in a fraud penalty if the recipient is found to have committed an IPV.
- .4 Verification of Eligibility Through IEVS
- .41 The county shall verify the eligibility of, and amount of assistance for, each applicant and recipient for aid through IEVS by:
- .411 Submitting applicant information to IEVS as specified in Sections 20-006.211 and .212.
- .412 Requesting on a quarterly basis income and eligibility information through IEVS for recipients in accordance with Section 20-006.22; and
- .413 Including, for the purposes of .411 and .412 of this section, any other individuals whose income and resources are considered in determining the amount of assistance to the extent that the county collects the SSN of such individuals.

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**HANDBOOK BEGINS HERE**

- (a) Other individuals whose income and resources are considered in determining the amount of assistance include, unless otherwise exempted by state or federal rule:
- (1) Stepparents and senior parents living with the assistance unit;
  - (2) Individuals excluded due to ineligible alien status;
  - (3) Individuals who are excluded due to sanction or due to failure to cooperate in meeting a condition of eligibility; or
  - (4) The sponsor of a sponsored alien and the sponsor's spouse, if living with the sponsor.
- (b) For instance, if the county obtains the SSN of an ineligible alien parent living with the assistance unit, the number must be submitted to IEVS. However, if the number is not available for submission to IEVS, the assistance unit's eligibility shall not be affected.

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**HANDBOOK ENDS HERE**



<b>40-181</b>	<b>CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY</b>	<b>40-181</b>
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(Continued)

- .42 The county shall act on all information received through IEVS in accordance with the procedures specified in Section 20-006.4 and .5.
- .5 Determination of Eligibility During Absence From the State, County or Country
- .51 A recipient who leaves the state, county, or country is responsible for informing the county paying aid immediately of his/her departure and of changes in his/her living plan, income, and needs. If absent from the state, he/she is also required to inform the county of his/her residence intent. If in the state but absent from the county paying aid, he/she is required to give information from which the county can determine if an intercounty transfer is in order (see Section 40-187). If the recipient leaves the state, the county shall immediately determine his/her residence intent and take appropriate action as provided in Chapter 42-400.
- .52 Except for children receiving Kin-GAP, when a periodic determination of eligibility is due during a recipient's temporary absence from the state or county, the Statement of Facts (CA 2) shall be sent to a welfare agency in the locality. Such agency shall be requested to interview the recipient, secure the signed CA 2 and return it with a report on the recipient's plan regarding his/her living arrangements, current needs and income, if he/she is out of state.
- .53 If it is not possible to secure the signed form and report through the agency within a reasonable time, direct request shall be made to the recipient to submit a completed form with a statement of his/her living arrangements, income and needs, and his/her intent as to residence out of state.
- .54 If a periodic determination of eligibility is due within the transfer period (see Section 40-185) the county currently paying aid requests the county to which the case is being transferred to make the periodic determination.

NOTE: Authority cited: Sections 10553, 10554, 10604, 11203, 11265.1, 11369, and 18904, Welfare and Institutions Code. Reference: 42 U.S.C. 616(b) and (f); 45 CFR 233.28 and 233.29(c); and 45 CFR 235.112(b); 7 CFR 273.16(b); Sections 10063, 10553, 10554, 10604, 11008, 11203, 11253.5, 11254, 11265, 11265.1, 11265.2, 11265.3, 11265.8, 11280, 11450.12, 11451.5, 11486, and 11495.1, Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193); California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996.

40-183	INTRAPROGRAM STATUS CHANGE	40-183
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Each assistance program has the following integral parts:

- (a) cash grants for maintenance with medical assistance, and
- (b) medical assistance for the medically needy.

.1 Intraprogram Status Change -- Defined

An intraprogram status change means change in status from one part of the same program to the other, i.e., from cash grant to medically needy and vice versa within the same program and changes between CalWORKs and AFDC-FC, or AFDC-FC and Kin -GAP, or CalWORKs and Kin-GAP. (See Sections 40-183.5 and 44-317.6.)

.2 Using Same Case Number and Record

It is recommended that the same case number and the same case record be utilized for aid and/or medical assistance certifications under either part of the program. The case is then designated by program as cash grant or medically needy, according to which ever is appropriate at the time.

.3 Circumstances in Which Status Change is Appropriate

An intraprogram status change is appropriate under the following circumstances:

- .31 The recipient becomes ineligible for a continuing cash grant but is eligible for certification for medical assistance as a medically needy person within the same program or
- .32 Circumstances of the person who has been certified as medically needy change so that upon application for AFDC or request for restoration as specified in Section 40-121 he/she is eligible for cash assistance for his/her maintenance needs within the same program.

.4 Change From a Cash Grant Recipient to Medically Needy

When the recipient becomes ineligible to a continuing cash grant but remains eligible for medical assistance as a medically needy person, the cash grant shall be discontinued. The discontinuance notice shall indicate that only the cash grant is terminated and that the recipient continues eligible as medically needy. Any necessary change in his certification for medical assistance to reflect his change in status from recipient to a medically needy person, shall be made.

40-183	INTRAPROGRAM STATUS CHANGE (Continued)	40-183
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.5 Change From Medically Needy to Cash Grant Recipient

Application for AFDC as specified in Section 40-121, and determination of eligibility to receive an AFDC cash grant are necessary before the status of a medically needy person may be changed to that of an AFDC recipient. A new Statement of Facts (CA 2) is required only when a periodic determination of eligibility is due or there has been some significant change in circumstances which gives a basis for questioning eligibility for AFDC. See Section 40-181.212. When all eligibility criteria are met for AFDC, the grant shall be authorized and the authorization document shall indicate a status change from medically needy to AFDC cash grant. Any necessary change in his/her certification from medical assistance, to reflect his/her change in status from a medically needy person to an AFDC cash grant recipient, shall be made.

NOTE: Authority cited: Sections 10553, 10554, and 11369, Welfare and Institutions Code. Reference: Sections 11053 and 11102, Welfare and Institutions Code.

40-185	INTERPROGRAM TRANSFERS	40-185
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.1 Interprogram Transfer -- Defined

An Interprogram Transfer is a transfer from one cash grant program to another, which is completed without interruption in aid payment.

.2 When Interprogram Transfer Initiated

An interprogram transfer shall be made to AFDC when a recipient in one program applies for and is determined to be eligible for AFDC

.3 Repealed by Manual Letter No. EAS-91-02, effective 2/1/91.

40-187	INTERCOUNTY TRANSFER	40-187
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.1	The following definitions pertain to intercounty transfer (ICT) and intercounty collection (ICC) procedures in Sections 40-188 through 40-197.
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.11 30-Day Transfer Period

The 30-day transfer period begins with the postmarked date or the date of the electronic transfer of the notification of the ICT. When the 30th day falls on a Saturday, Sunday or a legal holiday, the first business day following the weekend or holiday is considered to be the last day of the 30-day transfer period.

<b>40-187</b>	<b>INTERCOUNTY TRANSFER (Continued)</b>	<b>40-187</b>
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| .12 | Expiration of Transfer Period | The end of the month following the 30-day transfer period after the first county either mails or electronically transfers the notification of the ICT to the second county or the end of the month in which aid is discontinued for cause, whichever is earlier. By mutual agreement of the counties involved, the transfer of responsibility may occur at an earlier date. |
| .13 | First County                  | The county from which the recipient has moved.  |
| .14 | Intercounty Transfer          | A transfer of responsibility for determination of eligibility and for provision of social services from one county to another.  |
| .15 | Second County                 | The county to which the recipient has moved to make his home.   |
| .16 | Transfer Period               | The period of time in which the second county determines eligibility and the first county remains responsible for payment of aid.   |

NOTE: Authority cited: Sections 10553, 10554, 10604, 11053, and 11102, Welfare and Institutions Code.  
Reference: Sections 10553, 10554, 10604, 11450.018(a) and (b) and 11452.018(a), Welfare and Institutions Code.

<b>40-188</b>	<b>TRANSFER PROCEDURE</b>	<b>40-188</b>
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| .1   | First County         | The first county shall:  |
| .11  | Notify Second County | Notify the second county of the initiation of a case transfer in writing using the "Notification of Intercounty Transfer" form or via electronic data transfer.            |
| .111 | Foster Care          | Notify the second county of the initiation of a case transfer in writing by form FC 18 (2/97) "Notification of AFDC-Foster Care Transfer" or via electronic data transfer. |

<b>40-188</b>	<b>TRANSFER PROCEDURE (Continued)</b>	<b>40-188</b>
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| .12  | Inform Recipient               | Inform the recipient in writing of his/her responsibility to immediately apply for a redetermination of eligibility in the second county to avoid a break in aid.   |
| .121 | Foster Care                    | For children receiving AFDC-FC, where there is a legal guardian for the child, the first county shall inform the legal guardian in writing of his/her responsibility to apply for a redetermination of eligibility in the second county.  |
| .13  | Provide Documentation          | Provide the second county within seven working days from the date that the first county notifies the second county of a case transfer (per Section 40-188.11), with copies of the most recent:  |
| .131 | CalWORKs                       | CA 1/SAWS 1 (Application for Cash Aid, Food Stamps and/or Medical Assistance).  |
| .132 | CalWORKs                       | Welfare-to-Work plan (See Section 42-711.6).  |
| .133 | CalWORKs-Incap                 | Medical verification of incapacity.   |
| .134 | Exempt AU Status               | Verification of the AU's MAP exempt status.   |
| .135 | Foster Care                    | SAWS 1; FC 2/JA 2/KG2; SOC 158A; Birth Certificate/Alien Status; Social Security Number, FC 3/FC 3A; Voluntary Placement Agreement, Legal Guardianship Papers, or Court Order which establishes the authority for placement; Independent Living Plan; evidence supporting federal and/or state eligibility; and any other information necessary to determine eligibility. |
| .136 | Maximum Family Grant Informing | Maximum Family Grant (MFG) informing notice or other documentation verifying that MFG informing requirements have been met (see Section 44-314).  |

40-188	TRANSFER PROCEDURE (Continued)	40-188
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.137	AU with Children Under Age 6	Verification of age-appropriate immunizations pursuant to Section 40-105.4(d), which the county has determined acceptable.
.138		Copies of any documents supporting the eligibility determination made by the first county when requested by the second county.
.139		Overpayment repayment record for overpayment(s) that will not be repaid before the end of the transfer period and will continue to be recouped by the second county through grant adjustment.
.14	Determine Eligibility	Section 40-188.14(MR) shall become inoperative and Section 40-188.14(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.
	(MR)	Determine continuing eligibility and amount of cash aid from the Monthly Eligibility Report due during the transfer period.
	(QR)	Determine continuing eligibility and amount of cash aid from the most recent Quarterly Eligibility Report due during the transfer period.
.15	Inform	Inform the second county of any changes in eligibility or payment level and send a copy of any resulting notice of action.
.16	Discontinue	Discontinue responsibility for the provision of aid at the end of the transfer period.
.17	Foster Care	Obtain notification, written or via electronic data transfer, from the second county of the receipt and disposition of the transfer.

<b>40-188</b>	<b>TRANSFER PROCEDURE (Continued)</b>	<b>40-188</b>
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| .2  | Second County              | The second county shall:   |
| .21 | Contact Recipient          | Provide or send an appointment letter to the recipient, if the address is known. The letter shall include the address and telephone number of the county welfare office, an appointment date and time, and inform the recipient that the appointment may be re-scheduled, if needed. Aid shall not be stopped or suspended for the recipient's failure to keep the first appointment during the transfer period. The county may also include with the appointment letter any additional forms needed to complete the redetermination of eligibility. |
| .22 | Redetermine Eligibility    | Eligibility and grant amount shall be determined based on current circumstances using continuing recipient criteria. The county shall follow the provisions of Section 40-126.3 when processing the ICT. Continuing eligibility determination must be completed by the end of the transfer period as specified in Section 40-187.12.   |
| .23 | Provide Information        | Provide the first county with any information which might affect eligibility or the amount of cash aid during the transfer period.   |
| .24 | Foster Care Legal Guardian | For children receiving CalWORKs, where there is a legal guardian for the child, make an effort to secure the cooperation of the legal guardian.  |
| .25 | Foster Care Notification   | Provide the first county with notification, written or via electronic data transfer, of the receipt and disposition of the transfer documentation.   |

NOTE: Authority cited: Sections 10553, 10554, 10605, 11053, 11102, and 11369, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10605, and 11265.1, Welfare and Institutions Code; and Nickols v. Saenz Court Order Case Number 310867.

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<b>40-189</b>	<b>COUNTY IN WHICH RECIPIENT MAKES HIS/HER HOME</b>	<b>40-189</b>
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| .1   | Home County              | A recipient is considered to "make his/her home" in the county in which he/she is physically residing.  |
| .2   | Exceptions               | The following are exceptions to .1 above:   |
| .21  | Maintaining Home         | The recipient is maintaining a home in a county other than the county in which he/she is physically residing with the intent of returning to that home within four months.  |
| .211 | Four-Month Limitation    | The four-month period starts from the date the county paying aid determines that the recipient is "maintaining a home" in a county other than that in which he/she is physically residing.  |
| .212 | Fails To Return Home     | If the recipient fails to return within the four-month period, he/she is considered to have moved to the county in which he/she is physically residing.   |
| .22  | Farm Labor Family        | The four-month limitation does not apply to the recipient farm labor family that goes to another county to work when a home is maintained to which the family will return when not working.   |
| .221 | County of Responsibility | The county responsible for paying aid is the county where the farm labor family maintains a home. The home county continues to be responsible for aid payment until the family establishes a home base in another county.   |
| .23  | AFDC-FC Placement        | In AFDC-FC, a child placed by a public agency or a private agency which has legal custody because the child was relinquished to them or a court has given them legal custody, shall be considered to make his/her home in the county in which the court having jurisdiction for the child is located, regardless of whether the child's placement is located in another county. |

40-189	COUNTY IN WHICH RECIPIENT MAKES HIS/HER HOME (Continued)	40-189
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| .24 | Inpatient in Public or Private Health Care Institutions | When the AU moves because a member of the AU must go to another county to be admitted to a public or private health care institution for inpatient care, the AU is considered to make its home in the first county. The AU must continue to maintain the existing home while out of the first county.  |
| .25 | Inpatient Released From State Hospital                  | A recipient, who was part of an existing AU prior to entering a state hospital and is released from inpatient status in a state hospital, is considered to continue to make his/her home in the county where the AU resided prior to the AU member's admittance to the state hospital from which he/she was admitted for a period not to exceed three years following his/her release from the hospital. |
| .26 | Medical Care in Another County                          | When a member of an AU must go to another county solely because needed medical care is not available in the home county, the AU's home is considered to be the first county. The AU must continue to maintain the existing home while out of the first county.   |
| .27 | Kin-GAP   | In Kin-GAP, a child shall be considered to make his/her home in the county which had legal custody of the child pursuant to Section 40-125.8 immediately prior to the dismissal of dependency and establishment of the legal guardianship by the court.  |

NOTE: Authority cited: Sections 10553, 10554, 10604, 11053, 11102, and 11369, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

<b>40-190</b>	<b>COUNTY RESPONSIBILITY</b>	<b>40-190</b>
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|------|------------------------------------|---|
| .1   | Initiation of Intercounty Transfer | An intercounty transfer shall be initiated immediately when:  |
| .11  | First County is Notified of Move   | The first county is notified that the recipient has moved his/her permanent residence to another county.  |
| .12  | Foster Care Transfer               | Responsibility for the child welfare services case management function of a child receiving AFDC-FC is transferred from an agency in one county to an agency in another county.                 |
| .121 | Legal Guardian                     | The child's legal guardian changes his/her county of residence, the first county shall transfer the AFDC-FC case to the second county.  |
| .13  | Court Jurisdiction                 | Court jurisdiction for a child receiving AFDC-FC is received by a court that is located in another county.  |
| .14  | Kin-GAP Transfer                   | A Kin-GAP child has been receiving aid from a county other than the county of responsibility as identified in Section 90-105.2, the case should be transferred to the county of responsibility. |
| .2   | Payment Responsibility             | There shall be no interruption nor overlap in payment of aid when a recipient moves from one county to another county.  |
| .21  |                                    | Section 40-190.21(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.  |
| (QR) | Quarterly Reporting Cycle          | The second county shall establish the recipient's quarterly reporting cycle which may differ from the first county's quarterly reporting cycle.   |
| .22  | General Rule                       | The first county is responsible for continuing eligibility and aid payment during the transfer period.  |

<b>40-190</b>	<b>COUNTY RESPONSIBILITY (Continued)</b>	<b>40-190</b>
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|       .23    Transfer of AU Members

When a child(ren) moves to the home of a new caretaker relative, who resides in the second county, the first county's responsibility for payment of CalWORKs during the transfer period is as follows:

|       .231   Creation of New AU

When the transfer of a child(ren) results in the creation of a new AU which consists of the transferred child plus one or more applicants for aid, the first county is responsible for eligibility and aid payment during the transfer period. The first county is responsible for adding the applicants to the existing AU in the first county.

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(a)

A child receiving CalWORKs from one county, the first county, moves to another county, the second county, to live with his mother. Also in the home are three of the mother's other children. The mother and the other children are unaided, but the mother requests aid for herself and also for these children.

The first county is responsible for eligibility and payment during the transfer period. The mother and children are added to the existing AU in the first county.

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|       .232    Addition to Existing AU

When a transferred child is added to an existing AU which consists of the transferred child and persons currently aided in the second county, the second county is responsible for eligibility and payment for the entire AU. The second county is responsible for adding the transferred persons to the existing AU in the second county.

<b>40-190</b>	<b>COUNTY RESPONSIBILITY (Continued)</b>	<b>40-190</b>
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| (a) | A child receiving CalWORKs from the first county moves to a second county to live with his mother, who is receiving CalWORKs from the second county for her three other children. The mother requests aid for the transferred child. The second county becomes responsible for eligibility and payment. The first county discontinues its case with appropriate notice. The second county adds the transferred child to the existing AU in the second county if otherwise eligible. There is no break in aid for the transferred child. |
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| .24 | Intraprogram Status Change | When an intraprogram status change occurs during the transfer period, the first county is responsible for determining continuing eligibility and the aid payment until the end of the transfer period. |
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| .241 | If the intraprogram status change is from medically needy to cash grant status, see Sections 40-125.3 and 40-183.5 for county responsibility for determination of eligibility and payment of aid. Also, see Medi-Cal Eligibility Manual Section 50136 for county responsibility for continued Medi-Cal eligibility. |
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| .25 | Expiration of Transfer Period        | Upon the expiration of the transfer period, the second county is responsible for the payment of aid.                 |
| .3  | Exceptions to Payment Responsibility | The following are exceptions to the payment responsibilities rule specified in Section 40-190.2.                     |
| .31 | Request for Homeless Assistance      | When an AU requests homeless assistance, see Section 44-211.515. The MAP amount for the county of residence is used. |

40-190	COUNTY RESPONSIBILITY (Continued)	40-190
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| .32  | Foster Care Placement                         | No intercounty transfer is necessary when the first county places a child in a second county. The first county continues to be responsible for payment of aid.  |
| .4   | Discontinuance During Transfer Period         | Responsibility of the first county ceases when payment of aid is discontinued during the transfer period.   |
| .5   | Overpayment Adjustment During Transfer Period | When the grant has been reduced to recoup an overpayment:   |
| .51  | First County                                  | If the overpayment adjustment will continue beyond the transfer period, then the first county shall transmit the current repayment record and notify the second county to continue the overpayment adjustment upon expiration of the transfer period. |
| .52  | Second County                                 | When the intercounty transfer is completed, the second county shall continue to recoup the overpayment by grant adjustment until:   |
| .521 | Repaid in full                                | The overpayment is repaid in full, or   |
| .522 | Intercounty Transfer                          | The recipient moves to a subsequent county and, pursuant to an intercounty transfer, that county assumes responsibility for collection of the overpayment, or   |
| .523 | Aid is Discontinued                           | Payment of aid is discontinued, at which time the second county is responsible for recouping the balance of the overpayment through appropriate collection procedures.  |
| .53  | Retain Collections                            | Regardless of where the overpayment originated, the county that collects the overpayment will retain the amount collected and receive any collection incentives.  |

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See Sections 44-351 and 44-352, overpayment recovery and recoupment.

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NOTE: Authority cited: Sections 10553, 10554, 10604, 11053, 11102, and 11369, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10604, 11004, and 11265.1, Welfare and Institutions Code.

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**HANDBOOK CONTINUES**

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- (2) Before the child's birth, he and the child's natural mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared invalid, and
    - (i) If the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 300 days after its termination by death, annulment, declaration of invalidity, or divorce; or;
    - (ii) If the attempted marriage is invalid without a court order, the child is born within 300 days after the termination of cohabitation.
  - (3) After the child's birth, he and the child's natural mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with the law, although the attempted marriage is or could be declared invalid, and
    - (i) With his consent, he is named as the child's father on the child's birth certificate, or
    - (ii) He is obligated to support the child under a written voluntary promise or by a court order.
  - (4) He receives the child into his home and openly holds out the child as his natural child.
- (b) Except as provided in Section 621 of the Evidence Code, a presumption under this section is a rebuttable presumption affecting the burden of proof and may be rebutted in an appropriate action only by clear and convincing evidence. If two or more presumptions arise under this section which conflict with each other, the presumption which on the facts is founded on the weightier considerations of policy and logic controls. The presumption is rebutted by a court decree establishing paternity of the child by another man.

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.222 Evidence Code Section 621:

- (a) Except as provided in subdivision (b), the issue of a wife cohabitating with her husband, who is not impotent or sterile, is conclusively presumed to be a child of the marriage.
- (b) Notwithstanding the provision of subdivision (a), if the court finds that the conclusions of all the experts, as disclosed by the evidence based upon blood tests performed pursuant to Chapter 2 (commencing with Section 890) of Division 7 are that the husband is not the father of the child, the question of paternity of the husband shall be resolved accordingly.

.223 Health and Safety Code Section 10577:

- (a) Any birth, fetal death, death, or marriage record which was registered within a period of one year from the date of the event under the provisions of this division, or any copy of such record or part thereof, properly certified by the State Registrar, local registrar, or county recorder, is prima facie evidence in all courts and places of the facts stated therein.

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.3 Presence of a Stepparent or UAM in the Home

Deprivation is not affected by the presence in the home of a stepparent or an unrelated adult male.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

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<b>41-405</b>	<b>TERMINATION OF DEPRIVATION</b>	<b>41-405</b>
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.1 When a basis for deprivation ceases, and the family remains in need, the county shall determine if any other basis for deprivation exists.

.11 Section 41-405.11(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) When a basis for deprivation ceases mid-quarter, the county shall not take mid-quarter action based on changes in deprivation. Any change in deprivation shall be reported on the QR 7 and any change in eligibility or grant amount that results from the change in deprivation shall be effective the first day of the next QR Payment Quarter.



<b>41-405</b>	<b>TERMINATION OF DEPRIVATION (Continued)</b>	<b>41-405</b>
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| .2 Section 41-405.2(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

| (MR) Assistance shall be continued, if the family is in need, for a readjustment period not to exceed three calendar months when:

| (MR) .21 Deprivation, which is due to relinquishment, incapacity or absence, ceases, or

| (MR) .22 Deprivation changes to deprivation due to separation or desertion of a parent.

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| (MR) The purpose of the readjustment period is to enable aid and service to be provided in order to help the family to become reestablished and to eliminate or minimize situations that will cause the family to have need for further public assistance.

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| NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11265.2 and 11450.5, Welfare and Institutions Code.

<b>41-410</b>	<b>RELINQUISHMENT FOR ADOPTION</b>	<b>41-410</b>
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Repealed by DSS Manual Letter No. EAS-88-05.

<b>41-420</b>	<b>PARENT IS DECEASED</b>	<b>41-420</b>
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| .1 Deprivation exists if either parent is deceased.

| .2 Acceptable evidence of the death of a parent is:

| .21 A copy of the death certificate.

| .22 An award letter from the Social Security Administration based on the death of the parent.

| .23 A newspaper account of the parent's death.

| .24 Other reliable documentation

<b>41-430</b>	<b>PHYSICAL OR MENTAL INCAPACITY OF A PARENT</b>	<b>41-430</b>
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.1 Deprivation Due to Incapacity

Deprivation due to physical or mental incapacity of a parent shall be deemed to exist when the parent of an otherwise eligible child has a physical or mental illness, defect, or impairment that reduces substantially, or eliminates the parent's ability to support or care for the child for a period which is expected to last at least 30 days (this is not intended to be a waiting period) and which is supported by acceptable evidence as specified in .2 below. Where the incapacity is initially expected to last less than 30 days but in fact lasts longer, payment shall be granted retroactively effective the correct beginning date of aid (see Section 44-317.12 and 44-317.8).

Deprivation exists if the incapacity:

- .11 Prevents the parent from working full time at a job in which he or she has customarily engaged; and from working full time on another job for which he or she is equipped by education, training or experience, or which can be learned by on-the-job training; or
- .12 Is the reason employers refuse to employ him or her for work the parent could do. This includes behavioral disorders which interfere with the securing and maintaining of employment; or
- .13 Prevents him or her from accomplishing as much on a job as a regular employee and is the reason the parent is paid on a reduced basis even though working full time; or
- .14 Qualifies the parent and he or she is employed in a job which is rehabilitative, therapeutic or in a sheltered workshop not considered to be a full-time job; or
- .15 Reduces substantially or eliminates the parent's ability to care for the child.

.2 Determination of Incapacity

The determination that incapacity exists shall take into consideration the limited employment opportunities of handicapped individuals and be based upon the following acceptable evidence:

- .21 A finding of eligibility for OASDI, SSI/SSP, worker's compensation, or SDI benefits based upon parent's disability or blindness is conclusive proof of incapacity for AFDC purposes when verified by the authorizing agency and the verification is adequately documented in the case record.

<b>41-430</b>	<b>PHYSICAL OR MENTAL INCAPACITY OF A PARENT (Continued)</b>	<b>41-430</b>
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.22 Form CA 341 (Medical Report) or other written statement from a physician licensed or certified psychologist, or by an authorized member of his or her staff with access to the patient's medical records that provides information sufficient to substantiate the determination of incapacity and includes the following:

.221 A diagnosis of the parent's condition and explanation of the extent to which it prevents him or her from engaging in employment or why it reduces substantially, or eliminates the parent's ability to support or care for the child.

.222 The expected duration of the condition, and date of the next scheduled examination or appointment.

.223 The doctor's name, address and phone number.

.23 Where a written statement cannot be obtained without delay, for reasons beyond control of the applicant, a verbal statement from the physician, licensed or certified psychologist or an authorized staff member with access to the applicant's medical records verifying incapacity as specified above may be accepted pending written verification up to a maximum of 60 days.

If obtained verbally, documentation must include the date verification was obtained, the name of the person who supplied the verification, and the name of the county person who obtained verification.

.3 Review

If the individual's condition is expected to last more than one year it is to be reviewed at the annual reinvestigation. If the condition is not expected to last more than one year, review is to be completed at the time the condition is expected to end or earlier if there is reason to believe there has been a change in the condition.

<b>41-440</b>	<b>UNEMPLOYED PARENT PROGRAM</b>	<b>41-440</b>
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The requirements of Section 41-440 apply to all principal earners who establish deprivation based on unemployment whether the individual is included or excluded from the assistance unit.

.1 Definitions

(a) Unemployed Parent:

(1) An unemployed parent is one of the natural or adoptive parents with whom a child is living, who is the principal earner [see Section 41-440.1(b)], and who:

<b>41-440</b>	<b>UNEMPLOYED PARENT PROGRAM (Continued)</b>	<b>41-440</b>
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- (A) Is not employed; or
  - (B) Is employed less than 100 hours during the four-week period prior to the date of eligibility for cash aid based on unemployment.
  - (C) Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.
- (2) When the principal earner is employed for less than 100 hours during the four-week period prior to the date of eligibility, he/she shall not be considered employed for purposes of unemployment deprivation.

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Example 1:

A family applies for CalWORKs on the basis of unemployment deprivation on January 5, 1998; the CWD authorizes aid on February 2, 1998. On February 3, 1998, the principal earner (PE) reports that he accepted work on that day and he expects to work over 100 hours per month. Since the PE did not accept work until the day after aid was authorized (i.e., after becoming a recipient), the 100-hour limit is not applicable.

Eligibility for the AU will continue until ineligibility occurs due to excess income, excess property, etc.

Example 2:

A family applies for CalWORKs on the basis of unemployment deprivation on January 5, 1998; the CWD authorizes aid on February 1, 1998. On February 3, 1998, the PE reports that he accepted work on January 31, 1998, and he expects to work over 100 hours indefinitely. Since the PE accepted work before aid was authorized (i.e., prior to becoming a recipient), the 100-hour rule limitation is applicable. The CWD will issue a timely notice of action and terminate aid effective February 28, 1998. As ineligibility occurred prior to the authorizing action, the family is overpaid for January 1998 and February 1998.

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- (3) Since only the principal earner can establish unemployment deprivation, the 100-hour standard does not apply to the parent who is not the principal earner.
- (b) Hours of Employment -- The hours an individual spent providing a service or product, whether the individual is an employee or self-employed. Any hours spent working to acquire earned income, whether the individual receives the income or not, shall be considered toward the 100-hour limit in (a) above.

<b>42-207</b>	<b>PROPERTY WHICH MAY BE RETAINED BY AN APPLICANT</b>	<b>42-207</b>
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- .1 An applicant or recipient AU may retain countable resources in an amount equal to the amount allowed in the Food Stamp regulations at Manual of Policies and Procedures Section 63-1101. The value of real and personal property including resources not excluded elsewhere by regulations, owned by a CalWORKs FG/U family shall not exceed the Food Stamp resource limit. If the limit is exceeded, the family or child is ineligible.

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- .2 Food Stamp regulations at Manual of Policies and Procedures Section 63-1101.1 allows retention of \$3,000 for an AU which includes at least one member aged 60 or older or a disabled member, and \$2,000 for all other AUs. These limits may change in accordance with changes in Food Stamp resource limits.

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NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11155, 11155.2, and 11257, Welfare and Institutions Code; and 7 U.S.C. 2014(g)(1).

<b>42-209</b>	<b>DIFFERENTIATION OF PROPERTY AND INCOME</b>	<b>42-209</b>
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- .1 Some payments may be considered property, income, or a combination of both. For the differentiation of such payments, see Section 44-105.
- .2 Section 42-209.2(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (QR) Under QR/PB, nonrecurring lump sum payments which are not recurring regular income and usually nonrecurring in regard to amount and/or source, shall be treated as property in the month of receipt and any subsequent months.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

42-211	PROPERTY ITEMS TO BE INCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED	42-211
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.1 Real Property to Be Included

.11 In addition to the items included in the definition of real property in Section 42-203.1, the following are to be evaluated as real property:

- a. Cemetery property held for profit.
- b. Stocks in a water company not appurtenant to the land in furnishing water for agricultural purposes.
- c. The items defined in this section which are owned (see Section 42-203) by an applicant or recipient are subject to the limits set forth in Section 42-207, unless specifically excluded by Section 42-213.1.

.12 Real property owned by an applicant or recipient includes real property which:

- a. secures any of his debts.
- b. is being purchased by him under a contract of sale, or mortgage and/or deed of trust.
- c. is being sold by him under contract of sale, but no contract has actually been signed.
- d. is being held by him with retention of life estate.
- e. is held in trust for him and is available to him for disposition or use.
- f. is held for him in an undistributed estate and is available for his use prior to distribution.
- g. is being sold by him and is held in escrow.

.2 Personal Property to Be Included: The county shall determine personal property and vehicles to be included in evaluating property which may be retained in accordance with methods established under the Food Stamp regulations at Manual of Policies and Procedures Sections 63-501.1 and .2).

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11155 (Ch. 270, Stats. of 1997), Welfare and Institutions Code.

<b>42-213</b>	<b>PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED</b>	<b>42-213</b>
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.1 Real Property to Be Excluded

.11 The following items are to be excluded in evaluating real property:

- (a) Real property held in trust if the child or parent does not have control of the trust of which he is the beneficiary.
- (b) The separate and community share of real property of a parent who has surrendered full custody of his child pursuant to a court order.
- (c) The separate and community share of real property of a parent who has relinquished his child for adoption.
- (d) The separate and community share of real property of the father of a child who is not married to the mother and the parents are not maintaining a home together. Exception: If the father has legitimized the child under Section 230 of the Civil Code, his property is included whether or not the parents are maintaining a home together.
- (e) The separate and community share of real property of a stepfather.
- (f) Property purchased with funds received under Title I or Title II of the Economic Opportunity Act when such funds were excluded from consideration as income or resources. This exclusion does not extend to income or profits from such property.
- (g) An Indian's interest in land held in trust by the United States Government is excluded in evaluating real property which is subject to the monetary limits as set forth in Section 42-207.
- (h) Section 42-213.11(h)(MR) shall become inoperative and Sections 42-213.11(h)(QR) and (h)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The separate and community shares of real property of the absent parent which are unavailable to the CalWORKs family or child (i.e., the family or child does not have possession or control of the property so that the property may be used to meet current needs). Such unavailable property is to be excluded in cases where the child is living apart from his/her parent or parents. The exclusion applies to a child in foster care regardless of whether his/her parents are maintaining a home together.

<b>42-213</b>	<b>PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)</b>	<b>42-213</b>
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- (MR) An availability determination of the separate community shares of real property of an absent parent must be made by the county as part of the initial eligibility determination. After the initial eligibility determination, the county only needs to make another availability determination when the county receives information that there has been a change.
- (QR) The separate and community shares of real property of the absent parent which are unavailable to the CalWORKs family or child (i.e., the family or child does not have possession or control of the property so that the property may be used to meet current needs). Such unavailable property is to be excluded in cases where the child is living apart from his/her parent or parents. The exclusion applies to a child in foster care regardless of whether his/her parents are maintaining a home together.
- (QR) (1) An availability determination of the separate community shares of real property of an absent parent must be made by the county as part of the initial eligibility determination. After the initial eligibility determination, the county shall only make a determination when the county receives information on the QR 7 that there has been a change.
- (i) The real property in which an CalWORKs recipient has an ownership interest and which is considered in an SSI/SSP resource evaluation.
  - (1) The total value of property owned separately by the CalWORKs recipient who is either the spouse or parent of the SSI/SSP recipient and resides in the same household.
  - (2) The total value of property owned jointly between the CalWORKs recipient and the SSI/SSP spouse or child when they reside in the same household.
- (j) The separate and community share of real property of an APSB recipient (see Section 42-205.3, Community Property).
- (k) A maximum of one burial plot for each member of the Assistance Unit. For purposes of this section, a burial plot is defined as an interment space, crypt or niche intended for the interment of the applicant or recipient.



<b>42-213</b>	<b>PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)</b>	<b>42-213</b>
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- .12 Real property, not otherwise excluded, that the assistance unit is making a good faith effort to sell may be exempt from consideration in the resource limit described in Section 42-207 for a period of no more than nine consecutive months. Any six-month period, which was the maximum period permitted by these regulations as they were effective prior to January 1, 1987, ending on or after December 31, 1986 may be extended to nine months at the recipient's request.
- .121 As a condition of receiving aid during the exempt period and prior to the county granting aid, the applicant/recipient shall:
- (a) Grant the county a lien against the property which shall be payable to the county when the property is sold (see Section 42-213.122), and
  - (b) Agree in writing to begin immediately to make a good faith effort to sell the property. See Section 42-213.123 for what constitutes a good faith effort. If the applicant/ recipient elects not to sell the property at any time prior to the expiration of the nine months, the property shall no longer be exempt from consideration in the resource limit.
- .122 The county shall have the lien notarized (notarization by the county designated notary is acceptable) and then promptly record the lien in the county recorder's office where the property is located. The lien document shall:
- (a) Clearly show that the purpose of the lien is to repay the county the amount of repayable aid received during the exempt period. See Section 42-213.124. The lien, in itself, shall not require the sale of the property.
  - (b) Contain a legal description of the property that the lien is against. A legal description of the property can be obtained from the tax assessor's rolls of the county where the property is located.
  - (c) State the name(s) of the owner(s) of the property as it appears on the county assessor's rolls. The lien shall be binding on the applicant/recipient and his or her heirs, executors, administrators, and assignees.

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<b>42-213</b>	<b>PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)</b>	<b>42-213</b>
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- .123 In order to make a good faith effort to sell the property, as a condition of receiving aid during the exempt period, the applicant/recipient shall, at a minimum, either:
- (a) List the property for sale with a licensed real estate broker at the property's approximate fair market value (see Section 42-213.123(c)) and be willing to negotiate the terms of the sale with potential buyers, or
  - (b) Make an individual effort to sell the property which shall include all the following:
    - (1) Advertising once a week in at least one publication of general circulation that the property is for sale. When an AU becomes resource eligible it will no longer be required to use out-of-pocket expenditures to market the property but shall continue to comply with Section 42-213.123(a). [Resource eligibility exists when the equity value of the real property (see Section 42-213.124) plus all countable resources is less than the property limits described in Section 42-207].

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- (A) Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

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- (2) Place a sign on the property indicating that the property is for sale. Whenever possible, the sign shall be visible from the street.
  - (3) Offer the property for sale at its approximate fair market value. See Section 42-213.123(c).
  - (4) Be willing to negotiate the terms of the sale with potential buyers and respond to all reasonable inquiries about the property.
- (c) For purposes of this section, the fair market value of the property shall be the applicant/recipient's choice of:
- (1) The assessed value of the property, or

<b>42-213</b>	<b>PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)</b>	<b>42-213</b>
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- (2) A valuation of the market value of the property obtained by the applicant/recipient from a licensed real estate broker.
  - (3) In exceptional circumstances, such as when the property is located in a remote area and it is impossible or impractical to obtain a valuation, and the applicant/ recipient believes that the assessed value is too high or too low, the county and the applicant/recipient may agree on the market value based upon other available information.
- .124 Any aid paid during the nine-month period or until the property is sold, whichever comes first, shall be considered repayable aid at the time of the sale of the property and shall be collectible from the net proceeds of the sale of the property. The amount of repayable aid shall be determined as follows:
  - (a) If the net proceeds from the sale of the property plus the value of other countable real and personal property at the beginning of the exempt period are less than the resource limit specified in Section 42-207, there shall be no repayable aid.
    - (1) Property liens established to repay CalWORKs grants shall be counted as allowable encumbrances when determining the equity value of real property for eligibility purposes.
  - (b) If the amount of aid paid during the exempt period exceeds the net proceeds of the sale of the property, then the amount of repayable aid is the amount of the net proceeds.

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- (1) Example: The county did not count the value of a lot with a house that was owned but not occupied by an assistance unit in the resource limit as allowed under this section. At the end of nine months, the property sold for \$29,000 and the family had received \$3,960 in aid payments. The net proceeds of the sale were determined to be \$3,000. The amount of repayable aid is \$3,000 because the net proceeds were less than the amount of aid paid during the exempt period.

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<b>42-213</b>	<b>PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)</b>	<b>42-213</b>
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- (c) The net proceeds of the sale are determined by subtracting from the gross amount of the sale the costs verified by the county to be directly related to the sale of the property, such as:
    - (1) Loans and liens of the seller that are secured by the property,
    - (2) Title insurance fees paid by the seller,
    - (3) Brokers fees paid by the seller,
    - (4) Prepaid interest or loan processing fees (points) paid by the seller,
    - (5) Appraisal fees paid by the seller,
    - (6) Fees paid by the seller to advertise the property, i.e., newspaper aids and for sale signs.
- .125 The county shall inform the applicant/recipient at the time this exemption is granted that it is time-limited; and, at the end of nine months the assistance unit will be ineligible if the property has not been sold and the combined value of real and personal property continues to exceed the property limit specified in Section 42-207.
- .126 The county shall retain sufficient documentation to determine the amount of repayable aid that will be collectible when the property is sold.
- .2 Personal Property and Vehicles to Be Excluded: The county shall determine personal property items and vehicles to be excluded in evaluating property in accordance with methods established under the Food Stamp Program (see Food Stamp regulations at Manual of Policies and Procedures Sections 63-501.3, .52, and .53).
  - a. through aa. Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.
- .3 A home, regardless of its value, occupied by the assistance unit shall be excluded in evaluating property which may be retained.
  - .31 Any house, mobile home, camper, trailer, houseboat or any other dwelling whether assessed as real or personal property by the county assessor is excluded if such an item of property is occupied by the AU as a home (place of residence). Property shall continue to be considered the home during temporary absence for reasons such as illness, seasonal employment, visits, extreme climatic conditions, etc., provided the recipient plans to, and it appears will be able to, return to the home when such circumstances no longer exist.

42-213	<b>PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)</b>	42-213
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| .32  | The excluded home may be the unit of a multiple-dwelling unit that is occupied by the assistance unit as a home. A home and a separate unit adjacent to the home shall be treated as a multiple dwelling unit.  |  |
| .321 | The unit(s) of the multiple dwelling that is (are) not occupied by the assistance unit shall be treated as a resource and the value must be included in the property limit described in Section 42-207. See Section 42-215 for the method of determining the value of real property.  |  |
|      | (a) If the assistance unit is making a good faith effort to sell the unit(s) that is (are) not occupied as a home, the unit(s) may be exempt from consideration in the resource limit for a period of time under the conditions specified in Section 42-213.12.                       |  |
|      | (b) If the unit(s) that is (are) not occupied as a home cannot be sold separately, the unit(s) is (are) unavailable to meet current needs and shall be excluded in evaluating property. (See Section 44-113.1 for the treatment of income received from the rental of real property.) |  |
| .4   | The home which was the usual home of an applicant/recipient who has entered into marital separation shall be treated as follows:  |  |
| .41  | The usual home shall be exempt in determining an applicant's eligibility for CalWORKs and for three months following the end of the month in which aid begins.  |  |

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See Section 44-317.

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| .411 | Section 42-213.411(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.   |
| (QR) | If the exemption period ends mid-quarter, the county shall not act on the information during the QR Payment Quarter. The usual home shall be used to determine eligibility for the QR Payment Quarter following the QR Payment Quarter in which the exemption period ended. |
| .42  | The usual home shall be exempt in evaluating a recipient's retained property during the month of separation and for three months following the end of the month in which the separation occurs.   |

42-213	<b>PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)</b>	42-213
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| <p>.421</p> <p>(QR)</p> <p>.43</p> <p>.44</p> <p>.5</p> <p>.51</p> <p>.511</p> <p>.512</p> <p>(a)</p> <p>(b)</p> <p>(c)</p> <p>.513</p> <p>(a)</p> | <p>Section 42-213.421(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.</p> <p>If the exemption period ends mid-quarter, the county shall not act on the information during the QR Payment Quarter. The usual home shall be used to determine eligibility for the QR Payment Quarter following the QR Payment Quarter in which the exemption period ended.</p> <p>The applicant/recipient shall be informed when the exemption is granted that it is time-limited and that the expiration of the three month period may result in ineligibility.</p> <p>See Sections 42-213.3 and 42-201.1 for situations which require the home to remain excluded from property evaluation following the three month exemption period.</p> <p>Other property which is mandatorily and specifically exempt by federal law and shall be exempt from the effective date as specified in federal law.</p> <p>Property which is mandatorily exempt under federal law includes, but is not limited to:</p> <p>Public Law (PL) 92-254 or PL 94-540 which exempts any funds distributed per capita or held in trust for members of any Native American tribe under PL 92-254 or PL 94-540.</p> <p>PL 93-134, PL 97-458 and PL 98-64 which exempt as property the funds of Native American tribes including interest earned from, investment income derived from and initial purchases made with such funds when the funds have been:</p> <p>Distributed by the Secretary of the Interior on a per capita basis; or</p> <p>Held in trust by the Secretary of the Interior; or</p> <p>Individually owned trusts or restricted lands.</p> <p>PL 100-241 which exempts distributions to a household, individual Native or descendent of a Native when received from a Native Corporation established pursuant to the Alaskan Native Claims Settlement Act (ANCSA). Exempt distributions include:</p> <p>Cash (including cash dividends on stock received from a Native Corporation) to the extent it does not exceed \$2,000 total per person per anum, stock, a partnership interest, land or interest in land, and interest in a settlement trust.</p> |
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42-213	<b>PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)</b>	42-213
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- .514 PL 100-383 which exempts payments received as restitution made to U.S. citizens and permanent resident aliens of Japanese ancestry, and payment received as restitution made to Aleuts as a result of being relocated by the United States government during World War II.
- .515 PL 100-707 which exempts federal major disaster and emergency assistance provided under the Disaster Relief Act and comparable disaster assistance provided by the state, local governments and disaster assistance organizations.
- .516 PL 101-201 and PL 101-239 which exempt payments received from all Agent Orange settlements.
- .517 PL 101-426 which exempts payments received under the Radiation Exposure Compensation Act.
- .518 PL 101-508 which exempts Earned Income Credit (EIC) payments for the month it is received and the following month.
- .519 PL 103-286 which exempts payments received by victims of Nazi persecution.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11155 (Ch. 270, Stats. of 1997), 11155.2, 11155.5, 11257, 11265.1, 11265.2, and 11450.5, Welfare and Institutions Code; Sidwell v. McMahon, United States District Court (E.D. Cal.) May 7, 1990, civil no. S-89-0445; Public Laws 97-458, 98-64, and 103-286; and Federal Action Transmittal 91-23.

42-215	<b>DETERMINING VALUE OF PROPERTY</b>	42-215
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.1 Determination of Value of Real Property

For determination of CalWORKs eligibility, an applicant or recipient's net market value interest in real property is determined by subtracting any allowable encumbrance against it from its market value (42-215.21).

.11 Acceptable evidence of allowable encumbrances on real property are listed below:

- (a) Mortgages
- (b) Notes
- (c) Deeds of trust



42-215	<b>DETERMINING VALUE OF PROPERTY (Continued)</b>	42-215
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- (d) Payment receipts
- (e) Loan payment books
- (f) Delinquent tax liens
- (g) Judgments items
- (h) Mechanics liens
- (i) Assessments
- (j) Unpaid balance on property

.12 Applicant and/or Spouse Not Sole Owners

If the applicant or the applicant and his spouse are not the sole owners of property, only his or their proportionate share is included in their respective holdings.

.13 In order to identify real property holdings of recipients, the county shall, at least, contact the local county assessor, recorder or tax collector.

.2 Acceptable Evidence of Value of Real Property

.21 In CalWORKs the market value of real property shall be based on the most recent appraisal of market value from the county assessor, recorder or tax collector.

.22 Evidence of an allowable encumbrance in .21 above shall be the written document which supports it. Evidence of unwritten encumbrances shall be the sworn statements of all parties, under penalty of perjury, to the following:

- .221 initial and maturity date;
- .222 extent of encumbrances; and
- .223 value received

.3 Determination of Value of Personal Property Other than Motor Vehicles: The county shall determine the value of personal property in conformance with methods established under the Food Stamp Program. (See Food Stamp regulations at Manual of Policies and Procedures Section 63-501.5.)

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- .31 Food Stamp regulations at Manual of Policies and Procedures Section 63-501.5 states that the value of nonexcluded resources shall be their equity value. The equity value is the fair market value less encumbrances.

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- .32 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

- .33 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

- .34 Repealed by Manual Letter no. EAS-98-03, effective 7/1/98.

- .4 Determination of Vehicle Value: The county shall determine the value of vehicles in conformance with methods established below.

- .41 Fair Market Value of Vehicles - Verification

- .411 The fair market value of automobiles, trucks and vans shall be determined by the value of those vehicles as listed in publications written for the purpose of providing guidance to automobile dealers and loan companies. Publications listing the value of vehicles are usually referred to as "blue books". The CWD shall insure that the blue book used to determine the value of vehicles has been updated within the last six months. The CWD shall assign the wholesale value to vehicles. If the term "wholesale value" is not used in a particular blue book, the CWD shall assign the listed value which is comparable to the wholesale value. The CWD shall not increase the basic value of a vehicle by adding the value of low mileage or other factors such as optional equipment or special equipment for the handicapped. If a new vehicle is not yet listed in the blue book, the CWD shall determine the wholesale value through some other means, such as contacting a car dealer which sells that make of vehicle and asking how much the dealership would offer the household for the car.

- .412 To determine the most appropriate value of a vehicle, the CWD shall obtain from the applicant and/or the vehicle's registration card, the vehicle's year, make, model, and number of doors. If the information for these four items is incomplete, the CWD shall use the lowest blue book value listed to the extent that the vehicle has been identified.

<b>42-215</b>	<b>DETERMINING VALUE OF PROPERTY (Continued)</b>	<b>42-215</b>
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- .413 A household may indicate that for some reason, such as body damage or inoperability, a vehicle is in less than average condition. Any household which claims that the blue book value does not apply to its vehicle shall be given the opportunity to acquire verification of the true value from a reliable source. Also, households shall be asked to acquire verification of the value of licensed antique, custom made, or classic vehicles, if the CWD is unable to make an accurate appraisal. If a vehicle is no longer listed in the blue book, the household's estimate of the value of the vehicle shall be accepted, unless the CWD has reason to believe the estimate is incorrect. In that case, and if it appears that the vehicle's value will affect eligibility, the household shall obtain an appraisal or produce other evidence of its value, such as a tax assessment or a newspaper advertisement which indicates the amount for which like vehicles are being sold.

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.42 Handling of Unlicensed Vehicles

The value of unlicensed vehicles shall be their equity value, unless an exemption applies. The equity value is the fair market value less encumbrances.

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.43 Handling of Licensed Vehicles.

The value of licensed vehicles shall be the greater of the fair market value as provided in Section 42-215.44, or the equity value as provided in Section 42-215.45, unless an exemption applies as provided in Section 42-215.431.

- .431 The entire value of any licensed vehicle shall be exempt if any of the following apply:
- (a) It is used primarily (over 50 percent of the time the vehicle is used) for income-producing purposes such as, but not limited to, a taxi, truck or fishing boat;
  - (b) It annually produces income that is consistent with its fair market value, even if used on a seasonal basis;
  - (c) It is necessary for long distance travel, other than daily commuting, that is essential to the employment of a household member; for example, the vehicle of a traveling sales person or a migrant farm worker following the work stream;

<b>42-215</b>	<b>DETERMINING VALUE OF PROPERTY (Continued)</b>	<b>42-215</b>
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- (d) It is used as the family's residence.
- (e) It is necessary to transport a physically disabled family member, including an excluded disabled family member, regardless of the purpose of the transportation.

Example:

- (1) If the physical disability of the individual is not evident to the eligibility worker, verification shall be required.
- (2) The individual shall be required to provide a statement from a physician certifying that the individual is physically disabled. The disability may be temporary or permanent.
- (3) There shall be a limit of one vehicle per physically disabled household member.
- (4) The vehicle need not have special equipment or be primarily used by or for the transportation of the physically disabled household member. However, a vehicle shall be considered necessary for the transportation of a physically disabled household member if the vehicle is specially equipped to meet the specific needs of the disabled person or if the vehicle is a special type of vehicle that makes it possible to transport the disabled person.
- (f) It would be exempted under any of Sections 42-215.431(a) through (d), inclusive, but the vehicle is not in use because of temporary unemployment, such as when a taxi driver is ill and cannot work, or when a fishing boat is frozen in and cannot be used.
- (g) It is used to carry fuel for heating or water for home use, when the transported fuel or water is the primary source of fuel or water for the family.
- (h) The equity value of the vehicle is one thousand five hundred and one dollars (\$1,501) or less.

<b>42-215</b>	<b>DETERMINING VALUE OF PROPERTY (Continued)</b>	<b>42-215</b>
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- .44 Each licensed vehicle that is not exempted under Section 42-215.431 shall be individually evaluated for fair market value, and any portion of the value that exceeds four thousand six hundred fifty dollars (\$4,650) shall be attributed in full market value toward the family's resource level, regardless of any encumbrances on the vehicle, the amount of the family's investment in the vehicle, and whether the vehicle is used to transport family members to and from employment. Each vehicle shall be appraised individually. The fair market value of two or more vehicles shall not be added together to reach a total fair market value in excess of the current vehicle exclusion limit.
  - .441 For example, a household owning an automobile with a fair market value of \$5,500 shall have the current vehicle exclusion limit (\$4,650 as of October, 1996) excluded and \$850 applied toward its resource level.
- .45 Licensed vehicles shall also be evaluated for their equity value, except for the following:
  - .451 Vehicles excluded by Section 42-215.43.
  - .452 One licensed vehicle per adult family member, regardless of the use of the vehicle.
  - .453 Any other licensed vehicle driven by a household member under 18 years of age (or an ineligible noncitizen or disqualified household member under age 18 whose resources are being considered available to the household) to commute to and from employment, or to and from training or education which is preparatory to employment, or to seek employment. The equity exclusion applies during temporary periods of unemployment, to a vehicle which a member under age 18 customarily drives to commute to and from employment.
- .46 In the event a licensed vehicle is assigned both a fair market value in excess of the vehicle exclusion limit as specified in Section 42-215.441 and an equity value, only the greater of the two amounts shall be counted as a resource.

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- .461 When computing the value of a licensed vehicle which has not been totally excluded or is not equity exempt, determine both the FMV and the equity value of the vehicle. The larger of the two values is considered the resource value and counted in the resource limit.

Example: The greater of the two amounts is counted as a resource.

Computation of FMV		Computation of Equity Value	
\$5,000	FMV	\$5,000	FMV
-4,650	Exclusion Limit	-3,250	Amount Owed
\$ 350	Excess FMV	\$1,750	Equity Value

The greater of the two amounts to be considered as a resource is \$1,750.

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- .47 Steps in evaluating vehicles:

.471 **Step One**

Determine if any vehicle in the household is excludable as a resource. Vehicles in this category include those that are:

- (a) Income producing;
- (b) Annually producing income consistent with FMV, even if used on a seasonal basis;
- (c) Necessary for long distance travel to employment other than daily commuting, e.g., traveling salesman;
- (d) Used as a home;

42-215	DETERMINING VALUE OF PROPERTY (Continued)	42-215
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- (e) Necessary to transport a physically disabled household member;
- (f) Previously used as income producing by a self-employed household member who is temporarily unemployed. Exclude for one year period from date of termination of self-employment in farming.
- (g) Household depends on vehicle to carry fuel for heating or water for home use when such fuel or water is the primary source of fuel or water for the household.

If none of the vehicles in the household are categorized as excludable from resource consideration, or there are remaining vehicles left to be evaluated after others have been determined excludable, go to Step 2.

.472 **Step Two**

Exclude any vehicle, licensed or unlicensed, that is an inaccessible resource (a vehicle that will not produce an estimated return of more than \$1,500). Valuation of an inaccessible vehicle is required at application and when a new vehicle is reported. Reevaluation is required only at redetermination.

.473 **Step Three**

Of the remaining licensed vehicles, determine the number of adult household members and exempt one vehicle each from the equity valuation. The FMV must be calculated, and the excess FMV is considered as a countable resource. Adult household members also include ineligible noncitizens or disqualified family members whose resources are considered available to the AU.

Then, determine if any of the remaining licensed vehicles in the family are used by a teenager under age 18 to drive to work, school, job training, or to look for work. If there is a vehicle used by a teenager for any of these purposes, it is exempt from the equity value, but must be evaluated for FMV. The excess FMV is considered a countable resource. Family members under the age of 18 also include an ineligible noncitizen or disqualified household member under age 18 whose resources are considered available to the AU.

42-215	DETERMINING VALUE OF PROPERTY (Continued)	42-215
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.474    **Step Four**

For any remaining licensed vehicles, compute the FMV and the equity value. Use the greater of the excess FMV or equity value as the countable resource value.

.475    **Step Five**

For any remaining unlicensed vehicles compute the equity value of each and use the resultant amount as a countable resource value.

Add the values of the above values to arrive at the total vehicle resource value.

.48    The exclusions for licensed vehicles as specified in Section 42-215.431 shall also apply to:

.481    unlicensed vehicles on those Indian reservations that do not require vehicles driven by tribal members to be licensed;

.482    licensed vehicles used by ineligible noncitizens or disqualified persons whose resources are considered available to the family.

.5    Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

.6    Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10063, 10554, 11155 and 18901.9 (Ch. 743, Stats. of 2003), Welfare and Institutions Code; and Federal Register Volume 68, No. 168, Page 51933 published on August 29, 2003.



**42-219 ACQUISITION AND CONVERSION OF REAL AND PERSONAL PROPERTY 42-219**

**.1 Conversions of Property**

These regulations are to be applied in a flexible and reasonable manner which within the limits specified in the code, will allow the recipient a maximum freedom of choice in the acquisition, conversion, or disposition of property resources without affecting his eligibility.

Real or personal property may be acquired or converted to other forms by a recipient without affecting eligibility if the resultant holdings do not exceed the maximum allowed by the code.

Payments which include compensation for property which was lost, stolen, damaged, or destroyed shall be evaluated in accordance with Section 44-105.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 10554, Welfare and Institutions Code.

**42-221 TRANSFER OF PROPERTY OR INCOME 42-221**

.1 Section 42-221.1(MR) shall become inoperative and Section 42-221.1(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The receipt of aid shall not limit or restrict a recipient's right to give, receive, sell, exchange, or change the form of property or income holdings. A period of ineligibility (POI) shall result when a recipient AU gives away or transfers, for less than fair market value (FMV), nonexcluded income or property that would cause the AU to exceed its eligibility for benefits. (See Section 42-207 for property limits.)

(QR) The receipt of aid shall not limit or restrict a recipient's right to give, receive, sell, exchange, or change the form of property. A period of ineligibility (POI) shall result when a recipient AU gives away or transfers, for less than fair market value (FMV), nonexcluded property (including cash) would cause the AU to exceed its eligibility for cash aid. (See Section 42-207 for property limits.)

**.2 Property**

.21 The POI shall be computed based on the amount that, when added to other countable property, would have exceeded the property limit if the property had been transferred at its FMV. The county shall determine the POI as follows:

.211 Establish the FMV of the property transferred;

.212 Add other countable property;

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- .213 Subtract the amount of the property limit;
- .214 Subtract the amount actually received for the property from the FMV amount determined in Section 42-221.211;
- .215 Compare the amount calculated in Section 42-211.213 with the amount calculated in Section 42-221.214 and determine the lesser of the two amounts;
- .216 Divide the lesser of the two amounts in Section 42-221.215 by the MBSAC for the AU;
- .217 Round the resulting figure down to the nearest whole number to determine the number of months in the POI.

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- .3 Example: While on aid, a recipient AU of two persons inherits a parcel of real property with a FMV of \$1,300. The value of this inherited property, when added to other (\$1,400) countable property held by the AU, causes the AU to exceed the allowable property limit (\$2,000). The AU sells the parcel for \$100, which is less than its \$1,300 fair market value.

.31 Computation Factors:

\$ 1,300	FMV of the parcel of real property
+ 1,400	Property held by the AU
\$ 2,700	
- \$ 2,000	AU property limit. (See Section 42-207.)
\$ 700	Amount in excess of the property limit
\$1,300	FMV of the parcel of real property
- 100	Amount actually received by the AU for the real property
\$1,200	Difference between the FMV and the amount received for the property.

\$700 is less than the \$1,200 difference between the FMV and the amount received for the transferred property

\$700 divided by \$624\* = 1.12 months

POI = 1 month (rounded down from 1.12 months)

\*MBSAC for AU of 2 = \$624; MBSAC amounts are subject to change.

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<b>42-221</b>	<b>TRANSFER OF PROPERTY OR INCOME (Continued)</b>	<b>42-221</b>
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.4 Income

Section 42-221.4(MR) shall become inoperative and Section 42-221.4(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A POI shall result when, in the month of receipt, a recipient gives away or transfers, for less than FMV, nonexempt, nonrecurring income that would cause the AU to be ineligible for a cash aid payment. A transfer for less than FMV results when a recipient uses nonexempt, nonrecurring income to purchase a product or service with an FMV less than the money transferred. (See Section 44-315 for amount of aid.)

(QR) Nonrecurring lump sum income/payments shall be treated as property and shall be subject to any application of POI rules for a transfer of property for less than FMV.

.41 Section 42-221.41(MR) et seq. shall become inoperative and Section 42-221.41(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Income is considered nonrecurring for purposes of the transfer of POI Income rules if all the following apply:

(QR) Income is considered nonrecurring if all of the following apply:

.411 the income is not interest income or contractual income as specified in MPP Section 44-102 which requires a specified treatment;

.412 the income is for a period of more than one month, and

.413 the income is not from a source expected to occur regularly.

.42 Section 42-221.42(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The POI shall be computed based on the amount of net nonexempt income (NNI) given away or transferred for less than FMV that would have made the AU ineligible for a cash aid payment. The county shall determine the POI as follows:

(MR) .421 The amount of the nonexempt income given away or transferred is combined with all other nonexempt income to determine the NNI. (See Section 44-315 for amount of aid.) Subtract the MAP from the NNI;

(MR) .422 Take the amount transferred, and subtract from it the value of anything received from the transfer.

<b>42-221</b>	<b>TRANSFER OF PROPERTY OR INCOME (Continued)</b>	<b>42-221</b>
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|-----------|---|
| (MR) .423 | Compare the amount calculated in Section 42-221.421(MR) with the amount calculated in Section 42-221.422(MR) and determine the lesser of the two amounts; |
| (MR) .424 | Divide the lesser of the two amounts in Section 42-221.423(MR) by the MBSAC for the AU, and   |
| (MR) .425 | Round the resulting figure down to the nearest whole number to determine the number of months in the POI.   |

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**HANDBOOK BEGINS HERE**

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.5	Section 42-221.5(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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(MR)	Example: While on aid, a recipient AU of four persons receives disability-based unearned income (DUI) in the amount of \$3,005. The recipient gives \$2,000 to a relative. The AU has \$800 per month in gross earned income.
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(MR) .51	Computation Factors:
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\$3,005	DUI
<u>-225</u>	Income Disregard
\$2,780	Net DUI
\$800	Earned Income
<u>-400</u>	50% Earned Income Disregard
400	Nonexempt Earned Income
\$2,780	Net DUI
<u>+400</u>	Nonexempt Earned Income
\$3,180	NNI
\$3,180	NNI
<u>-728</u>	MAP for four (Region 1)
\$2,452	Adjusted NNI
\$2,000	Amount of income transferred
<u>- 0</u>	Amount received from the transfer
\$2,000	Difference
\$2,452	Adjusted NNI
\$2,000	Difference between the amount transferred and the value of anything received from the transfer (lesser of the two)

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**HANDBOOK CONTINUES**

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<b>42-221</b>	<b>TRANSFER OF PROPERTY OR INCOME (Continued)</b>	<b>42-221</b>
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**HANDBOOK CONTINUES**

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\$2,000 divided by \$920 (MBSAC for four, Region 1) = 2.17 months

POI = 2 months (rounded down from 2.17 months)

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**HANDBOOK ENDS HERE**

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.6 Applying the Period of Ineligibility (POI)

.61 Section 42-221.61(MR) shall become inoperative and Section 42-221.61(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When the family has transferred property or income which results in a POI, the POI begins as follows:

(QR) When the family has transferred property which results in a POI, the POI begins as follows:

.611 Section 42-221.611(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When the period of ineligibility is one month, the POI shall begin in the payment month and aid shall be suspended.

.612 Section 42-221.612(MR) shall become inoperative in a county and Section 42-221.612(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When the POI is two months or more, aid shall be discontinued and the POI shall begin in:

(QR) When a POI has been determined, cash aid shall be discontinued and the POI shall begin in:

(a) Sections 42-221.612(a)(MR) shall become inoperative and Section 42-221.612(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The month following the transfer when the county has taken appropriate action to avoid or minimize an overpayment for that month. Any aid received by the family unit during that month is an overpayment.

OR:

42-221	TRANSFER OF PROPERTY OR INCOME (Continued)	42-221
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- |      |      |   |
|------|------|---|
|      | (QR) | The first month of the next QR Payment Quarter following the transfer and shall continue for the determined number of months of ineligibility. Any aid received by the AU during the ineligible months of the quarter is an overpayment.  |
|      | (b)  | Section 42-221.612(b)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.  |
|      | (MR) | The payment month.  |
| .613 |      | Section 42-221.613(MR) shall become inoperative and Section 42-221.613(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.   |
|      | (MR) | When the transfer is discovered too late to suspend or discontinue for the corresponding payment month, the POI shall begin in that corresponding payment month and any aid payments received during the POI are overpayments.  |
|      | (QR) | When the transfer is discovered too late to discontinue for the first month of the QR Payment Quarter, the POI shall begin the first of a month within that QR Payment Quarter after timely and adequate notice is given. Any aid received by the AU during the ineligible month(s) of the current quarter is an overpayment. |
| .614 |      | Section 42-221.614(MR) shall become inoperative and Section 42-221.614(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.   |
|      | (MR) | When the transfer is in the first or second month of aid, any resulting POI begins in the month the transfer was made. Any aid received during the POI is an overpayment.   |
|      | (QR) | When the transfer is in the first or second month of aid, any resulting POI shall begin the first month of the next QR Payment Quarter and shall continue for the determined number of months.  |
| .7   |      | Section 42-221.7(MR) shall become inoperative and Section 42-221.7(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.   |
|      | (MR) | Transfer of property or income rules do not apply to applicant families.  |
|      | (QR) | Transfer of property rules do not apply to applicant families.  |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11157.5 (Ch. 270, Stats. of 1997 and Ch. 902, Stats. of 1998), 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

42-223	SPECIAL PROPERTY CONSIDERATIONS (Continued)	42-223
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.1 Property in Another State

Since the method for computing the assessed value of real property in other states may not be the same as that utilized in California, it is necessary to convert values arrived at by other states into figures that are comparable to the value referred to in EAS 42-215.21. This should be accomplished by application of the following conversion formula:

$$\begin{array}{ccccc} \text{Assessed value} & & & \text{Assessment Value as} & \\ \text{of property in} & & \text{divided} & \text{rate of} & = & \text{used in} \\ \text{another state} & & \text{by} & \text{that state} & & \text{EAS 42-215.21} \end{array}$$

.2 Tax Exemptions

Veterans (and in some cases their widows and parents) are allowed certain tax exemptions which are applied either to real or personal property. If the record used to determine the full value of the property shows only the amount of assessment upon which taxes are based, the amount of exemption would be determined and added to the taxable value to determine the full value.

.3 Property Outside the United States

If property is located outside the United States, the full value is determined on the basis of the rate of exchange in American dollars, regardless of the manner by which other units of government determine the full value.

.4 Ownership of Property in Militarily Occupied Areas

Ownership and value of property located in countries actively at war or in conquered or occupied areas is considered to be in doubt and the facts as to the holdings usually cannot be ascertained. If it is impossible to obtain information on property located in such countries, it is the presumption that continued ownership is in doubt and that such property has no present value in determining eligibility.

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**NONLINKING FACTORS OF PUBLIC ASSISTANCE ELIGIBILITY  
GENERAL TIME LIMIT REQUIREMENTS**

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## CHAPTER 42-300 GENERAL TIME LIMIT REQUIREMENTS

### 42-301 GENERAL TIME LIMIT REQUIREMENTS FOR ADULTS 42-301

- |    |                               |   |
|----|-------------------------------|---|
| .1 | Time Limits                   | Effective January 1, 1998, there shall be time limits on the receipt of aid for certain adults as specified in Section 42-302.1. Prior to this date, no months shall count toward the time limit provisions.                                |
| .2 | Ineligible Due to Time Limits | Adults who are ineligible for aid based on the 60-month time limit provisions, specified in Section 42-302, shall be removed from the AU. See MPP Sections 44-133.8 and 82-833.1 for additional regulations pertaining to timed-out adults. |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11450 and 11454(a), (b), and (c), Welfare and Institutions Code.

### 42-302 60-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS 42-302

- |     |                     |   |
|-----|---------------------|---|
| .1  | 60-Month Time Limit | Except as specified in Section 42-302.11, no individual shall be eligible for aid when that individual has received aid as an adult, 18 years of age or older, for a cumulative total of 60 months. The 60-month time limit applies both to aid received under CalWORKs and under another state's program funded by the federal Temporary Assistance to Needy Families (TANF) Program. The 60-month time limit shall not apply to children. |
| .11 | Exceptions          | When an individual has been aided as an adult for 60 months, additional months of aid may be provided to that adult when all parents, aided stepparents, and/or caretaker relatives residing in the home of the aided child(ren) meet any of the following conditions:  |
|     | .111 Advanced Age   | The individual is 60 years of age or older.   |
|     | .112 Providing Care | The individual is exempt from welfare-to-work participation requirements due to:  |

42-302	<b>60-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS</b> (Continued)	<b>42-302</b>
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(a)	The need to care for an ill or incapacitated person residing in the home, and the caretaking responsibilities impair the individual's ability to be regularly employed or to participate in welfare-to-work activities.
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(b)	Being a nonparent caretaker of either a dependent child of the court, a Kin-GAP child, or, as determined by the county, a child who is at risk of placement in foster care. For this exemption to apply, the county must also determine that the caretaking responsibilities are beyond those considered normal day-to-day parenting responsibilities so that they impair the individual's ability to be regularly employed or to participate in the welfare-to-work activities.
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.113	Disabled	The individual is receiving benefits from State Disability Insurance, Worker's Compensation Temporary Disability Insurance, In-Home Supportive Services, or the State Supplementary Program, and the disability significantly impairs his/her ability to be employed on a regular basis or to participate in welfare-to-work activities.
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.114	Unable to Maintain Employment or Participate	The county determines that the individual is not able to maintain employment or to participate in welfare-to-work activities, based on a current assessment of the individual as specified in MPP Section 42-302.114(b), and the county's finding that the individual has a history of participation and full cooperation in welfare-to-work activities.
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(a)	An individual shall be found to have a history of participation and full cooperation in welfare-to-work activities if the individual meets the criteria in Section 42-302.114(a)(1) or (a)(2):
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<b>42-302</b>	<b>60-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS</b>	<b>42-302</b>
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(Continued)

(1) The recipient has not failed to meet satisfactory participation, attendance, and progress requirements, without good cause, as evidenced by the absence of an instance or instances of noncompliance that resulted in a welfare-to-work financial sanction during the time an individual was a mandatory welfare-to-work participant.

(A) For purposes of this section, a sanction received while the individual was a volunteer in the CalWORKs welfare-to-work program pursuant to MPP Sections 42-712.51 or 42-712.52, or an aid recipient in another state shall not be considered a welfare-to-work sanction.

(2) The recipient has an instance or instances of noncompliance that resulted in a welfare-to-work sanction or sanctions; however, the individual has also maintained a sustained period or periods of welfare-to-work participation despite the presence of an impairment or combination of impairments, as determined pursuant to MPP Sections 42-711.56, 42-711.57, or 42-711.58, including domestic abuse, as determined pursuant to MPP Section 42-715.

(A) For purposes of this section, six months, or two or more periods of welfare-to-work participation within a consecutive 24-month period, including participation in orientation/appraisal, job search, assessment/evaluations, and post-assessment activities, that total six-months or more shall be considered a sustained period.

(B) For purposes of this section, an impairment is one not so severe that it meets the welfare-to-work exemption or waiver requirements in MPP Sections 42-712.44 or 42-715, respectively, but nevertheless limits an individual's ability to perform the physical and/or mental functions necessary to maintain employment or participate in welfare-to-work activities.

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(Continued)

(b) Upon the county's determination that the individual has a history of participation and full cooperation in welfare-to-work, the county shall assess the individual's current ability to maintain employment or participate in welfare-to-work activities.

(1) For purposes of this section, an individual who is fully participating in her/his welfare-to-work assignment upon reaching the 60-month time limit shall be considered able to maintain employment or participation unless the individual's required welfare-to-work activity has been modified in accordance with MPP Section 42-302.114(b)(2)(B).

(A) For purposes of this section an individual is fully participating if she/he is meeting their 32 or 35 hours of participation requirement or successfully participating in unsubsidized employment and/or other welfare-to-work activities for the number of hours an appropriate activity is reasonably available.

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	(Continued)	

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Example of an individual who is able to maintain employment and is participating for less than the required 32 or 35 hours per week: Due to a business slowdown, a recipient, who has received 58 countable months of aid, had her hours of unsubsidized employment reduced from 35 hours to 20 hours per week. The recipient has reached her 24-month time limit and must participate in community service. However, an appropriate community service placement does not become available before the recipient, whose job as a Retail Clothing Sales Clerk is consistent with her Welfare-to-Work participation and employment goal, reaches her 60-month time limit. Although the recipient is not participating for the required number of hours, she is not subject to a sanction and is considered able to maintain employment.

Example of an individual who may be considered incapable of work and is participating for the required 32 or 35 hours per week through a modification of her/his welfare-to-work activities:

A recipient has a documented physical impairment, chronic back pain following surgical treatment for a back injury, and history of substance abuse. Upon reaching her 60-month time limit, the recipient's welfare-to-work participation consists of substance abuse treatment, pain management classes, and community service as a clerical assistant.

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(2)

The county's determination that an individual is incapable of maintaining employment or participating in welfare-to-work activities shall be based upon, but not limited to, any of the following criteria:

42-302	<b>60-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS</b> (Continued)	42-302
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	(A)	The individual has a documented impairment or combination of impairments, as specified in MPP Section 42-302.114(a)(2), that is of such severity that the individual is incapable of successfully maintaining employment or participation in welfare-to-work activities for 20 or more hours per week.
--	-----	--

	(B)	The individual has a documented impairment as specified in MPP Section 42-302.114(a)(2), and is maintaining her/his participation in welfare-to-work activities only through a significant modification of the individual's welfare-to-work activities.
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	1.	For purposes of this section, a significant modification includes but is not limited to: mental health counseling; substance abuse treatment; domestic abuse services; a supported work environment, which is characterized by close supervision, graduated performance expectations, and peer support; or additional time to complete an activity.
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	(C)	The individual has a documented impairment or combination of impairments, as specified in MPP Section 42-302.114(a)(2), and due to local labor market conditions there is a lack of employers that could reasonably accommodate the individual's physical and/or mental limitations.
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<b>42-302</b>	<b>60-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS</b>	<b>42-302</b>
	(Continued)	

(c)	Individuals that are determined to be incapable of maintaining employment shall have their condition reviewed at least once every 12 months, unless the disabling condition or conditions is expected to improve at an earlier date. For individuals with a learning disability, which was documented pursuant to MPP Section 42-711.58, the county shall review the individual's employment status and the impact of any newly-developed coping skills, strategies, and accommodations on the individual's ability to maintain employment, ability to cope with his/her impairment and shall not require a reevaluation of the learning disability.
-----	--

.115 Unaided	The individual is excluded from the AU for reasons other than exceeding the time limit.
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.12 Domestic Abuse	When an individual has been aided as an adult for 60 months, aid may continue for that adult when the individual is a victim of domestic abuse and the county has determined that good cause exists for waiving the 60-month time limit. See Section 42-713.22.
--------------------	---

.2 Counting the 60-Month Limit	Section 42-302.2(MR) shall become inoperative and Section 42-302.2(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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(MR)	Any month or partial month in which an adult is included in an AU that receives a cash grant, including Reduced Income Supplemental Payments (Section 44-400) and Special Needs, (Section 44-211), shall count for the purposes of the 60-month time limit, except as provided in Sections 42-302.21 (Exempt Months) and 42-302.22 (Diversion Count).
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(MR)	Any overpayment month, (an entire month of aid in which the recipient was not entitled to cash aid), that is fully repaid shall not count for the purposes of the 60-month time limit.
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<b>42-302</b>	<b>60-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS</b>	<b>42-302</b>
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(Continued)

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|-----|--|---|
| (c) | Domestic Abuse   | The individual is a victim of domestic abuse and the county has determined that good cause exists for waiving the 60-month time limit. See Section 42-713.22.   |
| (d) | Teen Program   | The individual is eligible for, participating in, or exempt from Cal-Learn or another teen parent program approved by the CDSS. The exemption does not apply to an individual who is 19 years of age and is eligible for voluntary participation if the individual chooses not to participate in Cal-Learn. |
| (e) | Advanced Age   | The individual is exempt from welfare-to-work participation requirements due to being 60 years of age or older.   |
| (f) | Unaided  | The individual is excluded from the AU for reasons other than exceeding the time limit.   |
| (g) | Aid is Reimbursed  | The cash aid is fully reimbursed as a result of child support collection whether collected in that month or any subsequent month.   |
| (1) | Process for Reimbursement of Months of Aid for Exemption | All assigned child support payments, including collections in a current month, arrears, and lump sum payments collected to reimburse aid in California from January 1998 forward, shall be applied cumulatively to repay aid payments in the following order:   |
|     | (A)  | The cumulative child support recoupment will be applied to each month of aid beginning with the earliest unreimbursed month of aid, on or after January 1998, and moving forward as each month of aid is fully reimbursed.  |

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(Continued)

- (B) Recoupment, as provided by the local child support agency, is all child support that has been assigned and collected to repay aid. Beginning October 1998, this includes the disregard payments pursuant to MPP Section 12-425(c)(1)(B).
- (C) Each month of aid that is fully reimbursed by child support shall be exempt and not counted toward the CalWORKs 60-month time limit of parents, aided stepparents, and/or aided caretaker relatives residing in the home of the child(ren.)
- (D) The child support recoupment shall be applied to all months of aid whether or not the month had been previously exempted for any reason, including any month(s) exempt because the individual was unaided for any reason, including a sanction.
- (E) The child support recoupment will be reviewed to determine if the cumulative amount is sufficient to reimburse and exempt a monthly grant amount. Any child support that remains but is insufficient to fully reimburse a monthly grant, whether collected in the current month or for a previous period of time, shall be carried forward and used for any subsequent unreimbursed month(s) of aid.
- (F) The recipient shall be informed of the exempt months due to child support recoupment pursuant to MPP Sections 40-107(a)(4)(A) through (a)(4)(I).
- (G) Information regarding the balance of child support recoupment and the number of months exempt due to the child support recoupment must be reported to any subsequent county(ies) to continue reimbursement of the subsequent months of aid.

42-302	<b>60-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS</b> (Continued)	42-302
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(h)	Living in Indian Country	The individual lived in Indian country, as defined by federal law, or an Alaskan native village, in which at least 50 percent of the adults living in the Indian country or in the village are not employed.
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(1)		Counties shall obtain the required information on unemployment rates through the governing body of each tribal land.
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(i)	Receiving Supportive Services	The individual is a former recipient of cash aid and is only receiving child care, case management or supportive services.
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(j)	Grant Amounts Less Than \$10	The recipient does not receive a cash aid payment for the month because the grant amount is less than \$10.
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.22	Diversion Count	Diversion payments as set forth in Section 81-215 count toward the 60-month time limit unless they are recouped as provided in Section 42-302.223(a) or unless part or all of the diversion period is exempt as provided in Section 42-302.21 et seq. Count the months as follows:
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.221	Diversion Payment Month	The month in which a lump sum diversion payment is made counts as one month toward the 60-month time limit unless the diversion recipient applies for CalWORKs cash aid during the diversion period, as specified in Section 81-215.41, and is determined to be eligible for CalWORKs. In that case, the diversion payment is treated in accordance with Section 42-302.223.
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.222

A recipient receives a diversion lump sum payment of \$1,800 in March. The month of March counts toward the 60-month time limit. The recipient's Region 2, Non-Exempt MAP amount is \$538. This results in a diversion period of three months for the months of March, April, and May. The recipient does not apply for CalWORKs cash aid during the diversion period. The recipient reapplies in September and receives another diversion payment of \$800 in September. The months of March and September both apply toward the 60-month time limit.

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.223    Reapplies for CalWORKs  
During Diversion Period

If the diversion recipient applies for cash aid during the diversion period and is determined eligible, the recipient shall have the option to:

(a)

Have the diversion payment recouped from the CalWORKs cash aid; or

(b)

Count the diversion payment toward the 60-month time limit.

(1)

The number of months counted toward the 60-month time limit is calculated by dividing the total diversion payment by the MAP for the apparently eligible AU at the time the diversion payment was made. The month(s) resulting from this calculation, less any partial month, is (are) counted toward the 60-month limit. Do not count the initial month (as counted pursuant to Section 42-302.221) twice.

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.224                      A recipient with a Region 2, Non-Exempt MAP of \$538 received a lump sum diversion payment in the amount of \$1,800 in March. The recipient returns to the county in May (within the diversion period), is determined eligible for CalWORKs cash aid, and opts not to have the \$1,800 diversion payment recouped from the CalWORKs cash aid. The diversion payment equates to 3.3 months of aid. The partial month is dropped, and the recipient has a total of three months (March, April, and May) counted toward the 60-month time limit.

.225                      A recipient with a Region 2, Non-Exempt MAP of \$538 receives a diversion lump sum payment of \$100 on March 2. The recipient reapplies for CalWORKs cash aid in the same month and is determined eligible. The month of March counts as one month toward the 60-month limit because the recipient received CalWORKs aid.

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	(Continued)	

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|-----|-----------------------------------|---|
| .3  | Requesting Exemptions/Exceptions  | An applicant or a recipient can request an exemption/exception verbally or in writing. When a recipient states that s/he meets a condition that qualifies as an exemption to the 18- or 24- and/or 60-month time limit, as specified in MPP Sections 42-712 and 42-302.21 or an exception to the 60-month time limit as specified in 42-302.11, the county shall document the request and provide the recipient with an exemption/exception request form, if necessary to complete the request. |
|     | (a)                               | A completed exemption/exception request by the applicant/recipient can be a verbal request if all required information to make a determination on the request is available to the county.   |
|     | (b)                               | Exemptions/exceptions that do not require a written request include, but are not limited to, 60 years of age or older, aid reimbursed by child support collected, grant amounts less than \$10, and receiving only supportive services.   |
| .31 | Exemption/ Exception Request Form | The form to request an exemption or exception shall include, but is not limited to, the following:  |
|     | (a)                               | A description of the exemptions to the CalWORKs 18- or 24-month time limit, provided in MPP Section 42-712, the 60-month time limit, provided in MPP Section 42-302.21, and a description of the 60-month time limit exceptions, provided in MPP Section 42-302.11.   |

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| (b) | A statement that the individual may need to provide documentation to substantiate some exemptions/exceptions.  |   |
| (c) | A statement of exemptions from the time limit that do not require a written request.   |   |
| (d) | A statement that the individual will be informed, in writing, whether the exemption/exception is granted or not and the reason if the exemption/exception is denied. |   |
| (e) | A statement that the individual may request a State hearing to appeal a denial of an exemption/exception request.  |   |
| .32 | Exemption/Exception Determination  | The county shall inform the individual, in writing, of the exemption/exception determination no later than 15 calendar days from the date of completed request for an exemption/exception pursuant to Section 42-302.3. The specified response time may be exceeded in situations where completion of the determination is delayed because of circumstances beyond the control of the county, in which instances the case record must specify the cause for delay. These instances include: |
| (a) | Inability on the part of the recipient to provide the necessary verification.  |   |
| (b) | Delay on the part of an examining physician to provide the necessary information.  |   |
| .33 | Documentation of Exemption/Exception   | The county shall first research all available and relevant case records before requesting additional verification from the recipient. Pursuant to MPP Section 40-107(a), the county shall assist the applicant/recipient in obtaining the necessary records to verify the exemption/exception.  |

42-302	<b>60-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS</b>	42-302
	(Continued)	

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| .34 | Determination Notice | The notice of action approving or denying a request for an exemption or exception shall state whether the request was granted or denied and if denied, the reason for the denial. |
|     | (a)                  | Repealed by Manual Letter No. EAS-03-04, effective 4/9/03.  |
|     | (b)                  | Repealed by Manual Letter No. EAS-03-04, effective 4/9/03.  |
|     | (c)                  | Repealed by Manual Letter No. EAS-03-04, effective 4/9/03.  |

NOTE: Authority cited: Sections 10553, 10554, and 11369, Welfare and Institutions Code. Reference: Sections 11266.5, 11454, 11454(e) and (e)(5), 11454.5, 11454.5(b) and (b)(4) and (5), and 11495.1, Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); and 42 U.S.C. 608(a)(7)(a), (B) and (D).

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**NONLINKING FACTORS OF PUBLIC ASSISTANCE ELIGIBILITY  
RESIDENCE**

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## **CHAPTER 42-400 RESIDENCE**

### **42-400 RESIDENCE 42-400**

Residence in the state, but not in the county, is a requirement for receipt of aid. However, it is necessary to determine the county in which the applicant lives in order to establish county responsibility for payment of aid. (See Section 40-125.)

### **42-401 STATE RESIDENCE FOR ELIGIBILITY 42-401**

No durational period of residence in the state or county is required.

### **42-403 RESIDENCE - GENERAL 42-403**

#### **.1 Definition of Residence**

A person establishes residency by either:

- .11 Voluntarily living in the state with the intention of making his or her home for other than a temporary purpose. Residence may not depend upon the reason for which the individual entered the state, except insofar as it may bear upon whether the individual is there voluntarily or for a temporary purpose; or
- .12 Living in the state at the time of application, not receiving assistance from another state, and having entered the state with a job commitment or to seek employment, whether or not currently employed, (e.g., migrant and itinerant workers).

An AFDC-FG/U child living with a caretaker who qualifies under this definition, is a resident of the state in which the caretaker is a resident.

#### **.2 Duration of Residence**

Residence in the state established by either of the above criteria continues until the recipient leaves the state and establishes residence elsewhere. Temporary absence from the state, with subsequent returns, or the intent to return to the state when the purposes of the absence have been accomplished, does not interrupt continuity of residence (see 42-405, 406, and 407).

#### **.3 Program Requirements**

The husband or wife may each have a separate residence, a fact which is established by the actions and intent of each. An applicant for or recipient of aid does not lose residence for aid because of marriage, but moving out of state with the spouse also implies intent to establish residence elsewhere.

<b>42-405</b>	<b>RIGHTS AND RESPONSIBILITIES OF APPLICANTS OR RECIPIENTS</b>	<b>42-405</b>
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.1 Rights of Residence Location

Applicants for or recipients of aid have the same freedom of movement and choice of a place to live accorded other citizens of California.

.2 Informing County of Residence Changes

.21 An applicant or recipient, shall immediately inform the county to which he applied, or the county paying aid, if he goes to another county, state, or country, regardless of the anticipated date of return. (See Section 40-181.4.)

.22 Such an applicant or recipient shall cooperate with the county welfare department and provide the county with a monthly written statement explaining his reasons for absence from California, his intent to return to California and anticipated date of return. Failure to promptly provide such statements will result in immediate discontinuance of aid payments.

<b>42-406</b>	<b>COUNTY WELFARE DEPARTMENT RESPONSIBILITY</b>	<b>42-406</b>
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.1 Physical absence from the state indicates a possible change of residence. The county shall make inquiry, at the time of the next aid payment, from all applicants or recipients who have been continuously absent from the state for 30 days or longer in order to ascertain the recipient's intent to maintain California residency. If the inquiry establishes (see Section 42-407.2) that the recipient is no longer a California resident, aid shall be discontinued immediately.

.2 The response to the inquiry shall include, but is not limited to, the following:

.21 a statement of the applicant or recipient declaring his anticipated date of return to California, or his intent not to return to California.

.22 a statement of the applicant or recipient declaring his reason for continued absence from California.

.23 a statement of the applicant or recipient delineating the present location and status of the housing arrangements (owned, leased, or rented) for himself and his family (spouse and children).

.24 Section 42-406.24(MR) shall become inoperative and Section 42-406.24(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) the completion and return of Form CA 7, giving his current employment status, and all other factors normally used to compute the recipient's needs.



42-406	COUNTY WELFARE DEPARTMENT RESPONSIBILITY (Continued)	42-406
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(QR) the completion and return of QR 3 or QR 7, giving his current employment status, and all other factors normally used to compute the recipient's needs.

.25 a notice to the applicant or recipient that his failure to respond to the inquiry will result in his ineligibility and termination of aid payments.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11265.2, Welfare and Institutions Code.

42-407	EVIDENCE OF RESIDENCE INTENTION	42-407
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.1 Applicant or Recipient Physically Present in State

Section 42-407.1(MR) shall become inoperative and Section 42-407.1(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The written statement of the applicant or recipient is acceptable to establish his intention and action on establishing residence unless the statement is inconsistent with other statements on the Form CA 2, Form CA 7, or with the conduct of the person or with other information known to the county.

(QR) The written statement of the applicant or recipient is acceptable to establish his intention and action on establishing residence unless the statement is inconsistent with other statements on the SAWS 2, QR 7, or recipient mid-quarter report, or with the conduct of the person or with other information known to the county.

.2 Absence From the State

.21 If an applicant or recipient does not respond, within 30 days, to the monthly county inquiry of residence (Section 42-406), it shall be presumed that he does not intend to maintain California residency and aid shall be discontinued immediately.

.22 If the applicant or recipient responds to the inquiry, and advises the county that he does not intend to return to California, aid shall be discontinued immediately.

.23 If the applicant or recipient responds to the inquiry and advises the county that he intends to maintain his California residency but he remains out of state for 60 days or longer, his continued absence is prima facie evidence of the applicant's or recipient's intent to have changed his place of residence to a place outside of California subject to Section 42-407.24. Such absence in itself is sufficient evidence to support a determination that the applicant or recipient has established residence outside of California. Therefore, his intent to return must be supported by one or a combination of the following:

42-407	EVIDENCE OF RESIDENCE INTENTION (Continued)	42-407
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- .231 family members with whom the applicant or recipient lived, currently live in California.
- .232 the applicant or recipient has continued maintenance of his California housing arrangements (owned, leased or rented).
- .233 the applicant or recipient has employment or business interests in California.
- .234 any other act or combination of acts by the applicant or recipient which establishes his intent to reside in California.
- .235 even if the recipient's intent to reside in California is supported by .231 through .234, it may still be established that the recipient does not have the intent to reside in California if any of the following situations occur and are significant enough to negate the evidence that supports California residence:
  - a. The applicant or recipient has purchased or leased a house out of state since leaving California.
  - b. The applicant or recipient has been employed out of state since leaving California.
  - c. The applicant or recipient has obtained an out-of-state motor vehicle driver's license since leaving California.
  - d. The applicant or recipient has taken any other action which indicates his intent to establish residence outside of California.
- .24 Continuous absence of 60 days or longer shall not be prima facie evidence of the applicant's or recipient's intent to have changed his place of residence to a place outside of California where he clearly shows:
  - .241 he has not, by act or intent, established residence outside of California; and
  - .242 his return to California was prevented by illness or an emergency.
- .25 Repealed by Manual Letter No. EAS-92-02, effective 3/1/92.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11265.2, Welfare and Institutions Code; Senate Bill (SB) 991, Chapter 1285, Statutes of 1989; and WRL vs. McMahon, Case No. 268972 (Sacramento Superior Court), October 31, 1990.

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**NONLINKING FACTORS OF PUBLIC ASSISTANCE ELIGIBILITY  
WELFARE-TO-WORK**

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WELFARE-TO-WORK**

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42-716	<b>WELFARE-TO-WORK ACTIVITIES</b> (Continued)	42-716
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- .82 The CWD shall provide grant-based OJT funded community service positions, pursuant to Sections 42-711.9 and 42-716.4, only if the community service component of the county CalWORKs plan specifies the process by which the CWD will comply with the voluntary consent requirement and lists the languages, other than English, in which written consent will be obtained.
- .83 The participant's diverted cash grant and grant savings shall be used by the employer for the sole purpose of subsidizing the participant's wages.
  - .831 Any portion of a participant's wage that is funded by the diversion of the recipient's cash grant and/or grant savings to the employer shall not be entitled to the income disregards specified in Section 44-111.23.
  - .832 Any portion of the grant-based OJT participant's wages that are not derived from the participant's diverted grant and/or grant savings shall be subject to the income disregards specified in Section 44-111.23, however, the resulting grant and grant savings may be diverted to the employer.
- .84 After the participant has reached their 18- or 24-month limit as specified in Section 42-710, the subsidy provided to the employer by the CWD shall be limited to the amount of the participant's diverted grant and/or grant savings.
  - .841 Nothing in this Section 42-716.84 shall preclude an employer from using its own funds to pay a portion of the participant's wages.
- .85 The CWD shall administer grant-based-OJT funded positions in a manner that minimizes any break in income received by the participant as a grant, or as a wage subsidized by the diverted grant and/or grant savings upon entry into, during, or upon exit from the assignment.
  - .851 Section 42-716.851(MR) shall become inoperative and Section 42-716.851(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
  - (MR) Notwithstanding any other provision of Sections 44-313.1(MR) and .2(MR), the AU's monthly aid grant shall be prospectively budgeted as specified in Section 44-313.11(MR) during the grant-based OJT placement. The prospective budgeting period shall begin in the month the participant is expected to receive her/his first grant-based subsidized wages and for the two months after the assignment ends. CWDs shall explain the requirements of prospective budgeting to all OJT participants.
  - (QR) A grant-based OJT placement may begin mid-quarter.

<b>42-716</b>	<b>WELFARE-TO-WORK ACTIVITIES</b>	<b>42-716</b>
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(Continued)

- .852 When there is any break in income for a grant-based OJT participant caused by an employer's conduct or the participant's inability or failure to work her/his scheduled hours with or without cause, the CWD shall ensure that a recipient receives 100 percent of the maximum aid grant payment for which she/he is otherwise eligible, less the gross amount of the grant-based wages and any other non-exempt income received by the participant. The payment shall be made as a corrective underpayment within five calendar days of the participant notifying the CWD, or within two calendar days of CWD notification if the participant has an eviction Notice or a Notice to Pay Rent or Quit.
- (a) If the participant's total gross wages paid in a month are less than the total amount of the diverted grant for that month, a corrective underpayment shall be issued in accordance with Section 44-340. This corrective underpayment shall be equal to the difference between the amount of the gross wages paid to the recipient and the amount of the grant diverted for the month.
- (1) The participant shall return to the CWD the amount of unpaid wages that are recovered from the employer and for which the CWD issued a corrective underpayment. Any such recovered wages not returned by the participant to the CWD shall be treated as an overpayment.
- (b) The CWD shall collect from the employer any amount of the grant and/or grant savings diverted to the employer that was not paid as wages to the recipient.
- .86 Wages derived from the diverted grant and/or grant savings and paid to a participant pursuant to this section shall not be considered as income in any determination of financial eligibility for the CalWORKs program.
- .87 The CWD shall not place grant-based OJT participants with an employer unless the employer agrees, at a minimum, to all of the following:
- .871 To use the diverted grant solely for subsidizing the participant's wage and to return to the CWD any of the grant and/or grant savings received that are not paid as wages to the participant.
- .872 Not to displace current employees with grant-based OJT participants pursuant to Section 42-720.1.
- .873 To comply with the labor union and employee notification requirements specified in Section 42-720.3.

<b>42-716</b>	<b>WELFARE-TO-WORK ACTIVITIES</b>	<b>42-716</b>
	(Continued)	

- .874 To comply with all applicable federal and state labor laws and regulations.
- .875 That the employer's participation in grant-based-OJT funded job placements may be cancelled pursuant to Section 42-716.881.
- .88 The CWD shall monitor the retention of participants as employees by employers participating in grant-based OJT.
- .881 The CWD shall cancel participation of employers who demonstrate, over a period of time, either of the following:
  - (a) An unwillingness to hire recipients who participated in grant-based OJT with such employers.
  - (b) An inability to provide the participant with the job skills to obtain unsubsidized employment with other employers.
- .882 The CWD shall collect and maintain such records as are necessary to verify participating employer's retention of participants or subsequent unsubsidized employment with other employers.
- .89 Any participant in a grant-based OJT-funded position, who fails or refuses to comply with program requirements without good cause shall be sanctioned in accordance with Section 42-721.4.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 11253.5(b), 11265.1, 11265.2, 11320.3(b)(2), 11322.6, 11322.61, 11322.7, 11322.8, 11322.9(a), (b), (c), (d)(6), (e), and (f), 11324.4, 11325.22(b)(1), 11325.7(a), (c), (d), 11325.8(a), (c), (d), and (f), 11327.5, 11450.5, 11451.5, and 11454(a), Welfare and Institutions Code; and Section 8358(c)(2), Education Code; 7 U.S.C. 2029(a)(1); 7 U.S.C. 2035; U.S. Department of Labor guidance on FLSA, with attached U.S.D.A., Food and Nutrition Service (FNS) guidance on an SFSP, dated May 22, 1997; and Simplified Food Stamp Program approval letters from FNS to implement the provisions of an SFSP, dated May 5, 2000 and August 3, 2000.

<b>42-717</b>	<b>JOB RETENTION SERVICES</b>	<b>42-717</b>
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- .1 If provided in a county plan and if a recipient or former recipient is employed, the CWD may continue to provide case management, services, and supportive services to either a recipient of aid under CalWORKs not participating under welfare-to-work or a former recipient of CalWORKs who has received aid within the previous 12 months.
- .2 The CWD may provide these services for up to the first 12 months of employment or from the first day after termination from aid due to employment or increased earnings to the extent that these services are:
  - .21 not provided by the employer, the entity that arranged the job placement, if other than the county;
  - .22 not available from other sources;
  - .23 needed for the individual to retain employment, or needed to advance to new employment that may provide greater income or better benefits.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 11323.2(b) and 11500, Welfare and Institutions Code.



<b>42-721</b>	<b>NONCOMPLIANCE WITH PROGRAM REQUIREMENTS</b>	<b>42-721</b>
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(Continued)

- .313 The employment, offer of employment, activity, or other training for employment is remote from the individual's home because either:
- (a) The round-trip travel time required exceeds a total of two hours, exclusive of the time necessary to transport family members to a school or place providing care, or
  - (b) Walking is the only available means of transportation and the round-trip is more than two miles, exclusive of the mileage necessary to accompany family members to a school or a place providing care.
- An individual who fails or refuses to comply with the program requirements based on the remoteness of the employment, offer of employment, activity, or other training for employment shall be required to participate in community service activities in accordance with Section 42-716.4.
- .314 The employment, offer of employment, activity, or other training for employment involves conditions that are in violation of applicable health and safety standards.
- .315 The employment, offer of employment, or work activity does not provide for worker's compensation insurance.
- .316 Accepting the employment or work activity would cause an interruption to an approved education or job training program in progress. For purposes of this section, an education or job training program includes all welfare-to-work activities described in Section 42-716, except work experience or community service assignment.
- (a) The approved education or job training program in progress must lead to employment and sufficient income to be self-supporting.
  - (b) If the hours of participation in the approved education or job training program in progress are less than the hours required as a condition of eligibility for aid, the CWD may require the individual to engage in welfare-to-work activities to the extent necessary to meet the required hours of participation.
- .317 Accepting the employment, offer of employment, or work activity would cause the individual to violate the terms of his or her union membership.

42-721	NONCOMPLIANCE WITH PROGRAM REQUIREMENTS (Continued)	42-721
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- .32 In determining whether good cause exists for a refusal or failure to comply with program requirements, the CWD shall take into consideration whether the participant has a mental disability that caused or substantially contributed to the refusal or failure to comply with program requirements. This determination shall be made, where appropriate, in consultation with the county mental health department.
- .33 An individual shall have good cause for not participating in welfare-to-work activities if he or she meets the criteria described in Section 42-713.

.4 Sanctions

- .41 Financial sanctions shall be applied when a non-exempt welfare-to-work participant has failed or refused to comply with program requirements without good cause and compliance efforts have failed.
  - .411 Any month in which an individual is under sanction and removed from the assistance unit shall not be counted as a month of receipt of aid in determining the 60-month time limit in accordance with Section 42-302.115.
  - .412 Any month in which an individual is under sanction and removed from the assistance unit shall not be counted in determining the 18- and 24-month time limits in accordance with Section 42-710.63.
  - .413 The period of time a sanctioned individual is considered a reunification parent under Section 82-812.68 shall count toward meeting the sanction periods specified in Section 42-721.43.
  - .414 Section 42-721.414(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (QR) A financial sanction is a county-initiated mid-quarter change pursuant to Section 44-316.331(b)(QR).
- .42 The sanctions shall not apply to an individual who is exempt from the welfare-to-work requirements and is voluntarily participating in the Welfare-to-Work Program. If an exempt volunteer engages in conduct that would bring about the sanction procedures described below but for his or her status as a volunteer, the individual shall not be given priority over other participants actively seeking to participate.

<b>42-721</b>	<b>NONCOMPLIANCE WITH PROGRAM REQUIREMENTS</b>	<b>42-721</b>
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(Continued)

- .43 Financial sanctions for failing or refusing to comply with program requirements without good cause shall result in a reduction in the family's grant by removing the noncomplying family member from the assistance unit for a period of time that increases in the following manner:
- .431 The first instance of noncompliance without good cause shall result in a financial sanction until the noncomplying participant performs the activity(ies) he or she previously refused to perform.
- .432 The second instance of noncompliance without good cause shall result in a financial sanction for three months or until the noncomplying participant performs the activity(ies) he or she previously refused to perform, whichever is longer.
- .433 The third and each subsequent instance of noncompliance without good cause shall result in a financial sanction for six months or until the noncomplying participant performs the activity(ies) he or she previously refused to perform, whichever is longer.
- .44 The discontinuance from aid shall become effective on the first day of the first payment month that the sanctioned individual's needs are removed from aid following the CWD's timely and adequate notification (see Section 22-072.1), except as specified in Section 42-721.441.
- .441 If the recipient appeals the sanction through the state hearing process within the period of timely notification, no sanction shall be imposed until the hearing decision is reached.
- (a) If the CWD's action is sustained, the discontinuance shall be effective at the end of the payment month in which the state hearing decision is received.
- (1) If the CWD is unable to discontinue aid at the end of such month, aid shall be discontinued at the end of the following payment month.
- .45 In a two-parent assistance unit whose basis for deprivation is unemployment, the sanctioned parent shall be removed from the assistance unit.
- .451 If the sanctioned parent's spouse or the assistance unit's second parent is not participating in the program, except as provided in Section 42-721.453, both the sanctioned parent and the spouse or second parent shall be removed from the assistance unit.
- .452 The CWD shall notify the spouse of the noncomplying participant or second parent in writing at the commencement of the compliance procedures of his or her own opportunity to participate and the impact on sanctions of that participation.

42-721	NONCOMPLIANCE WITH PROGRAM REQUIREMENTS (Continued)	42-721
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- .453 For purposes of this section, if a spouse or second parent is participating to avoid the sanction of the noncomplying parent, the exemption criteria for care of an ill or incapacitated member of the household and the care of a child under six months of age (or age determined by the CWD) do not apply. Any other exemption or good cause criteria, as described in Sections 42-712 and 42-713 and compliance procedures described in Section 42-721, shall apply to the sanctioned parent's spouse or the family's second parent.
- .454 A spouse or second parent who chooses to participate to avoid the noncomplying parent's sanction, and subsequently ceases participation without good cause and fails or refuses to agree to or fulfill the terms of a compliance plan without good cause, shall be removed from the assistance unit for a period of time specified in Section 42-721.43.
- .455 If the sanctioned parent's spouse or the second parent is under his or her own sanction at the time of the first parent's sanction, the spouse or second parent shall not be provided the opportunity to avoid the first parent's sanction until the spouse or second parent's sanction is completed.
- .46 For families that qualify due to the absence or incapacity of a parent, only the noncomplying parent shall be removed from the assistance unit, and aid shall be continued to the remainder of the family.
- .461 The CWD shall arrange for a protective payee in accordance with Section 44-309.
- .47 If the noncomplying individual is a dependent child, his or her needs shall not be taken into account in determining the family's need for assistance and the amount of the assistance payment.
- .48 The CWD shall restore aid:
  - .481 Upon expiration of the sanction period if the individual applies for aid, is determined to be in compliance with program requirements, and is otherwise eligible; or
  - .482 If the sanction is rescinded as a result of the outcome of a state hearing or the formal grievance procedure established in accordance with Section 42-721.5.
  - .483 Section 42-721.483(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
  - (QR) Restoration of aid due to the noncomplying participant performing the activities he or she previously refused to perform, in accordance with Sections 42-721.43 and 44-318.13(QR), is a county-initiated mid-quarter change pursuant to Section 44-316.331(c)(QR).

<b>42-721</b>	<b>NONCOMPLIANCE WITH PROGRAM REQUIREMENTS</b>	<b>42-721</b>
	(Continued)	

.5 State Hearing and Formal Grievance

.51 Except as specified in Section 42-721.512(b), .512(c), or .512(d), when a participant believes that any program requirement or assignment is in violation of, or inconsistent with, state law and regulations governing the Welfare-to-Work Program, the CWD shall inform him/her of the right either to request a state hearing or to file a formal grievance based on the procedures established by the county board of supervisors.

.511 State Hearing

- (a) The CWD shall inform the individual of his/her right to file an appeal through the state hearing process as an alternative to the formal grievance procedures.
- (b) Procedures for a state hearing are specified in MPP Division 22.
- (c) With the exception of welfare-to-work supportive services (see Section 42-750.213), aid will continue if the individual appeals through the state hearing process within the period of timely notification (see Section 42-721.441).
- (d) If a welfare-to-work participant or other affected party is dissatisfied with a state hearing decision involving on-the-job working conditions or workers' compensation coverage, the party may appeal the decision to the appropriate state regulating agency.
  - (1) A copy of the written decision shall be issued to all affected parties and shall identify the right to appeal. The decision shall also provide the address and instructions for filing an appeal.
    - (A) The instructions shall include the requirement that the appeal be filed within 20 calendar days following receipt of the written decision.
- (e) The participant shall be permitted to request a state hearing to appeal the outcome of a formal grievance.

.512 Formal Grievance Procedures

- (a) The procedures for a formal grievance established by the county board of supervisors and the duration of these procedures shall be specified in the county plan.

42-721	<b>NONCOMPLIANCE WITH PROGRAM REQUIREMENTS</b> (Continued)	42-721
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- (b) The sole issue for resolution through a formal grievance shall be whether a program requirement or assignment is in violation of the welfare-to-work plan or inconsistent with Chapter 42-700.
- (c) The participant shall not be permitted to use the formal grievance to appeal the outcome of a state hearing or the results of an assessment made according to Section 42-711.55.
- (d) The formal grievance shall not be available to a noncomplying individual who has already failed to successfully conciliate in accordance with Section 42-721.2. Under those circumstances, the applicant or recipient may request a state hearing to appeal a program requirement or assignment.
- (e) The individual shall be subject to sanction pending the outcome of the formal grievance or any subsequent appeal only if he/she fails to participate during the period the grievance procedure is being processed.
  - (1) This information shall be provided to an individual when he or she requests information about the procedure for filing a formal grievance.

.513 The CWD shall address any complaints of discrimination based on race, color, national origin, religion, political affiliation, marital status, sex, age, or handicap which may arise through an applicant's/recipient's participation in Welfare-to-Work in accordance with the provisions of MPP Division 21 - Nondiscrimination in State and Federally Assisted Programs.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 11203, 11265.2, 11320, 11320.31, 11324.8(d), 11327.4, 11327.5(a) through (e), 11327.6, 11327.8, 11327.9, 11328.2, 11333.7, 11454, and 16501.1(d), (e), (f), and (g), Welfare and Institutions Code.

42-730	<b>GAIN JOB SEARCH, TRAINING, AND EDUCATION SERVICES</b>	42-730
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Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

42-731	<b>EMPLOYEE DISPLACEMENT GRIEVANCE PROCESS</b>	42-731
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Renumbered to Sections 42-720.4, .5, .6, and .7 by Manual Letter No. EAS-98-03, effective 7/1/98.

<b>42-740</b>	<b>CONTRACTS/AGREEMENTS FOR GAIN JOB SEARCH, TRAINING AND EDUCATION SERVICES</b>	<b>42-740</b>
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Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

<b>42-741</b>	<b>AGREEMENTS FOR PREP AND AWEX</b>	<b>42-741</b>
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Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

<b>42-742</b>	<b>CONTRACTS/AGREEMENTS FOR ON-THE-JOB TRAINING (OJT), SUPPORTED WORK, AND TRANSITIONAL EMPLOYMENT FUNDED BY GRANT DIVERSION</b>	<b>42-742</b>
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Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

<b>42-750</b>	<b>SUPPORTIVE SERVICES</b>	<b>42-750</b>
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.1 Supportive Services

.11 Necessary supportive services shall be available to every participant in order to participate in the program activity to which he or she is assigned or to accept or retain employment. If necessary supportive services are not available, the individual shall have good cause for not participating under Section 42-713.21. Supportive services shall include all of the following:

.111 Child care as described in Chapter 47-100.

.112 Transportation. Transportation costs shall be governed by regional market rates as determined below:

(a) The least costly form of public transportation, including CWD provided transportation, that would not preclude participation in welfare-to-work activities pursuant to Section 42-721.313.

(b) If there is no public transportation available which meets these requirements, participants may use their own vehicles. Participants shall be reimbursed at one of the following rates:

(1) The county shall select an existing reimbursement rate used in the county, or

42-750	SUPPORTIVE SERVICES (Continued)	42-750
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(2) The county shall develop a rate that covers necessary costs.

(3) The reimbursement rate may not include a "cap," or maximum monthly reimbursement amount, beyond which additional miles driven are not reimbursed.

(c) Parking for welfare-to-work participants shall be reimbursed at actual cost. Participants shall submit receipts for this purpose, except in cases where parking meters are used.

(d) Participants who choose to use their own vehicles when public transportation is available will be reimbursed at the least expensive reimbursement rate of available transportation pursuant to Sections 42-750.112(a) and (b).

.113 Ancillary expenses shall include the cost of books, tools, clothing specifically required for the job, fees, and other necessary costs.

(a) Tuition (and school fees in the nature of tuition) are not ancillary expenses. The county is not obligated to pay these costs when a person or entity, other than the county or county authorized entity, contracts for the training.

.114 A participant who has personal or family problems that would affect the outcome of the welfare-to-work plan shall, to the extent available, receive necessary counseling or therapy to help him or her and his or her family adjust to his or her job or training assignment.

(a) "To the extent available" means these services are available at no cost to the recipient or the county develops a written policy authorizing payment for personal counseling.

.2 Supportive Services Payments

.21 Payments for supportive services, except child care as described in Chapter 47-100, shall be advanced to the participant when necessary and desired by the participant so that the participant need not use personal funds to pay for these services.

.211 Notwithstanding any other provision of Chapter 42-700, any participant in on-the-job training who becomes ineligible for CalWORKs due to earned income, hours worked, or loss of income disregards, shall remain a participant in the program under welfare-to-work activities for the duration of the on-the-job training assignment. The participant shall be eligible for supportive services for the duration of the on-the-job training, provided this duration does not exceed the time limits otherwise applicable to the recipient.



<b>42-750</b>	<b>SUPPORTIVE SERVICES (Continued)</b>	<b>42-750</b>
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| .212 Notwithstanding any other provision of Chapter 42-700, any participant in on-the-job training, grant-based on-the-job training, supported work, or transitional employment who remains eligible for aid shall be eligible for transportation and ancillary expenses as specified in this section.

| .213 When a participant requests a hearing within the period of timely notification (see Section 22-072.5) to appeal a suspension, reduction, or termination of CalWORKs welfare-to-work supportive services or a change in the method of providing such services, the participant shall not be entitled to a continuation of CalWORKs welfare-to-work supportive services in the same amount or form pending the hearing decision. The participant shall be entitled to supportive services only at the level and in the form authorized by the county action under appeal.

.3 Coordination of Supportive Services and Financial Aid

.31 The CWD shall encourage participants to apply for financial aid, including educational grants, scholarships, and awards.

.32 Reimbursement for SIPs (see Section 42-711.54) shall be provided if no other source of funding for those costs is available. Any offset to supportive services payments will be made in accordance with financial aid provisions as specified in Section 42-750.33.

.33 Treatment of Financial Aid

.331 The CWD shall consider the availability of financial aid received by the participant in the form of educational grants, scholarships and awards when determining the need for welfare-to-work supportive services payments.

.332 The CWD shall not deny or reduce welfare-to-work supportive services if the participant indicates that the financial aid is not available to meet supportive services needs.

.333 The CWD shall document all determinations regarding consideration of a participant's educational grants, scholarships and awards in the case file.

.334 The CWD shall attempt to enter into written agreements with the financial aid office at appropriate educational institutions providing welfare-to-work services in order to avoid duplication of supportive services payments to welfare-to-work participants.

.335 Any agreement between the CWD and the institution shall include, but not be limited to the following:

(a) A description of the supportive services to be provided by each party.

<b>42-750</b>	<b>SUPPORTIVE SERVICES (Continued)</b>	<b>42-750</b>
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- (b) A provision for amendment and modification as necessary.
  - (c) A provision that supportive services needs will be evaluated on a case-by-case basis.
- .34 Educational loans or work study program awards shall be excluded from consideration when determining supportive services needs.
- .4 Notice Requirements for Transportation and Ancillary Support Services
  - .41 Participants shall be notified of specific arrangements for authorized transportation and ancillary supportive services through an appropriate Notice of Action (NOA) which shall be issued pursuant to the procedures specified in MPP Division 22.
    - .411 NOAs shall be issued to CalWORKs participants for the following types of supportive services actions and changes:
      - (a) Approval of supportive services and the level and method of payment;
        - (1) The CWD shall inform participants who receive an advance payment that the unused portion of the advance will be collected as specified in Section 42-751.
        - (2) The CWD shall inform participants who receive advance payments that receipt of subsequent advance payments is contingent upon CWD receipt of proof of costs incurred no later than the 10th day of the month following the month for which the advance payment was made.
      - (b) Denial of requests by CalWORKs participants for CalWORKs supportive services arrangements or payments;
      - (c) Changes to existing supportive services payments and arrangements;
      - (d) Collection of supportive services overpayments from CalWORKs participants pursuant to Section 42-751;
      - (e) Termination of supportive services arrangements or payments.
    - .414 NOAs are not required for the following types of supportive services actions:
      - (a) Approval of supportive services for one-time, short-term activities. Short-term activities include orientation/appraisal and school field trips. If the amount requested is not approved, a NOA is required.

<b>42-750</b>	<b>SUPPORTIVE SERVICES (Continued)</b>	<b>42-750</b>
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- (b) Approval of payments which are equal to the amount claimed by the CalWORKs participant or the service provider.
- .42 The CWD shall inform participants of the requirement to provide prior notification to the CWD of changes in transportation and ancillary supportive services arrangements at least ten calendar days before an anticipated change, except in emergency or exceptional situations.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 11320, 11320.3(f)(1), 11320.31(c), 11323.2, 11323.4, and 11325.23(d), Welfare and Institutions Code.

<b>42-751</b>	<b>UNDERPAYMENTS AND OVERPAYMENTS FOR TRANSPORTATION AND ANCILLARY SUPPORT SERVICES</b>	<b>42-751</b>
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.1 General Criteria

- .11 The CWD shall take all reasonable steps necessary to promptly correct any overpayment or underpayment of transportation and ancillary supportive services payments to a recipient or a service provider including, but not limited to, all cases involving fraud and abuse, consistent with these regulations.

| .2 Overpayment Identification

- | .21 When the county has determined that an overpayment exists, the county shall calculate the amount of the overpayment and determine the appropriate method of recovery.
- | .22 Counties shall be allowed to use recovery methods as specified in Section 42-751.4(e) concurrently.
  - | .221 The methods that result in the maximum recovery without interfering with program participation shall be used.

| .3 Adjustment Amounts

- | .31 When an underpayment or denial of supportive services occurs and as a result the applicant or recipient does not receive the amount to which he or she should have received, the CWD shall pay the applicant/recipient the balance or provide supportive services equal to the full amount of the underpayment.

| .4 Collection of Overpayments

- (a) If the individual is no longer receiving aid under CalWORKs, recovery of overpayments will not be attempted where the outstanding overpayments are less than thirty-five dollars (\$35). Reasonable cost-effective efforts at collection shall be implemented where the overpayment amounts owed are thirty-five dollars (\$35) or more.

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<b>42-751</b>	<b>UNDERPAYMENTS AND OVERPAYMENTS FOR TRANSPORTATION AND ANCILLARY SUPPORT SERVICES (Continued)</b>	<b>42-751</b>
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- (b) If the overpayment is the result of fraud, the CWD shall attempt to recover the overpayment regardless of the amount.

(c) Initial Recovery Procedures and Establishing Repayment Agreements

- (1) The county shall initiate recovery within 30 calendar days of the date the overpayment is first discovered by notifying the individual in writing that he/she has an overpayment and that he/she must contact the county within ten calendar days of the date the notice is mailed to arrange repayment.

- (A) If the participant does not respond to the overpayment notice within ten calendar days of the date of the initial notice is mailed or the participant does respond to the initial notice, but fails or refuses to enter into a repayment agreement, the county shall use the payment adjustment method of recovery as specified in Section 42-751.4(g) unless:

1. The county determines that the deferred repayment provisions of Section 42-751.4(d) apply.

- (B) The overpayment notice shall include:

1. The name of the overpaid person;
2. The amount owed;
3. The reason for the claim;
4. The period of time that the claim covers;
5. A statement regarding the right of the participant to a State hearing if the participant disagrees with any aspect of the claim;
6. The reasons repayment may be deferred as specified in Section 42-751.4(d);
7. A statement that recovery will occur as specified in Section 42-751.4(c)(1)(A) if the individual fails to respond within ten calendar days.

- (C) The county shall attempt to obtain a signed repayment agreement from the overpaid individual subject to the recovery methods specified in Section 42-751.4(e) and provide a copy of the agreement to the overpaid individual.

<b>42-751</b>	<b>UNDERPAYMENTS AND OVERPAYMENTS FOR TRANSPORTATION AND ANCILLARY SUPPORT SERVICES (Continued)</b>	<b>42-751</b>
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(d) Overpayment Collection Deferrals

- (1) The collection and recovery of any overpayment shall be deferred if it is not cost effective to pursue the collection. The CWD shall defer collection and recovery of any overpayment if the collection would result in disruption of child care arrangements, preclude participation in welfare-to-work activities, or prevent employment.
- (2) The CWD shall: (1) notify the participant of the deferral and when a decision to defer overpayment collection is made; (2) reevaluate the need for deferring repayment when necessary; (3) document the expected ending date of the deferred repayment status.

(e) Reasonable efforts shall include written notification of the amount of the overpayment and that repayment is required. The following are reasonable cost-effective collection methods:

(1) Balancing.

When an individual has both an overpayment and an underpayment, the CWD may offset one against the other, subject to the provisions specified in Section 42-751.4(g).

(2) Voluntary Cash Recovery.

The CWD shall accept any voluntary cash payment from an individual to pay any portion of an existing overpayment.

(3) Grant Adjustment.

The individual shall be permitted to have supportive services overpayments adjusted from the CalWORKs grant when the individual is receiving CalWORKs, provided:

(A) The individual chooses this method of recovery; and

(B) The individual agrees with the amount of the CalWORKs grant adjustment.

(4) Section 42-751.4(e)(4)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Recoupment by grant adjustment shall be conducted in accordance with Section 44-352.41(QR).

(f) Individuals shall be allowed to revoke a repayment agreement incorporating grant adjustment at any time and enter into a new repayment agreement with the CWD.

<b>42-751</b>	<b>UNDERPAYMENTS AND OVERPAYMENTS FOR TRANSPORTATION AND ANCILLARY SUPPORT SERVICES (Continued)</b>	<b>42-751</b>
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| (g) Supportive Services Payment Adjustment

(1) The following payment adjustment provisions shall be applicable only to current welfare-to-work participants.

(A) The maximum recovery from the current payment(s) shall be as follows:

1. Ten percent of the total payment, for recipient-caused overpayments, unless the individual volunteers to pay a higher percentage.
2. Five percent of the total payment for overpayments resulting from administrative error, unless the individual volunteers to pay a higher percentage.

(B) When recovery is made in full from a subsequent supportive services payment, the participant shall be informed in writing.

(C) When the current payment adjustment is not enough to recover the entire overpayment or no claim is received in a given month, then the remaining amount of the overpayment shall be applied to succeeding month(s), and the adjustment process shall be repeated as specified above.

(D) When any adjustment is made, the CWD shall notify the participant in writing.

(E) When no subsequent payment(s) are available for an adjustment to be made, because the individual becomes exempt and does not volunteer to participate or loses eligibility for CalWORKs the CWD shall attempt to establish or obtain a new repayment agreement.

(F) The CWD shall notify the participant in writing when a reduction is made to adjust current supportive services.

| (h) If the individual responsible for the overpayment to the assistance unit is no longer eligible for CalWORKs, or if he or she becomes a member of another assistance unit:

(1) Recoupment of overpayments will be made against the individual or his or her present assistance unit, or both.

<b>42-751</b>	<b>UNDERPAYMENTS AND OVERPAYMENTS FOR TRANSPORTATION AND ANCILLARY SUPPORT SERVICES (Continued)</b>	<b>42-751</b>
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- (i) Where an overpayment has been made to an assistance unit which is no longer receiving CalWORKs, recovery will be made by appropriate action under state law against the income or resources of the individual responsible for the overpayment or against the members of the former assistance unit.
- (j) Recovery of Overpayments.
  - (1) Any suits to recover overpayments from CalWORKs applicants, recipients and payees will be brought on behalf of the county by the county counsel unless the board of supervisors delegates such duty to the district attorney by ordinance or resolution.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10063, 11004(g), (h), (i), (k), and (l), 11265.2, and 11323.4(b), Welfare and Institutions Code.

<b>42-760</b>	<b>GAIN REGISTRATION</b>	<b>42-760</b>
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Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

<b>42-761</b>	<b>GAIN REGISTRANT APPRAISAL</b>	<b>42-761</b>
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Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.



<b>42-769</b>	<b>APPLICATION OF BONUSES AND SANCTIONS</b>	<b>42-769</b>
	(Continued)	

- .23 When the grant amount, prior to application of the sanction, is less than the amount of the apportioned sanction, the grant amount shall be zero. No remainder of the apportioned sanction shall be applied to subsequent months. In these cases, the family shall be considered CalWORKs recipients for all other purposes including eligibility for Medi-Cal.

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- .231 Example: In February an AU is eligible for a grant of \$35. The teen parent's apportioned sanction amount is \$50. Since the grant amount is less than the apportioned sanction amount, the grant will be zero. In March the AU is eligible for a grant of \$75. The CWD will apply the second apportioned sanction amount (\$50) and issue a grant of \$25. No remainder of the first month's apportioned sanction is applied to the second month's aid payment.

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- .24 Adjust the grant for an underpayment or an overpayment prior to applying the apportioned sanction amount.
- .25 Apply one apportioned sanctioned amount for each teen parent per month when there are multiple sanctioned teen parents in the AU.

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**HANDBOOK BEGINS HERE**

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- .251 Example: An AU contains two teen parents. They both fail to achieve adequate grades for the report card period ending in June. The case manager notifies the CWD on July 10 that each is due a sanction. The CWD will apply a \$100 sanction in August (\$50 for each teen parent) and a \$100 sanction in September (\$50 for each teen parent).

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- .26 Apply overlapping sanctions for individual teen parents consecutively.

<b>42-769</b>	<b>APPLICATION OF BONUSES AND SANCTIONS</b>	<b>42-769</b>
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(Continued)

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- .261 Example: A teen parent fails to achieve adequate grades for the report card period ending in June. The case manager is not appraised of this situation until October 1 and notifies the CWD that a sanction is due on October 5. On October 10 the case manager notifies the CWD that the same teen parent is due a sanction for the report card period ending in September. The CWD applies a \$50 sanction in November, December, January, and February.

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.3 Change in AU

The sanction shall follow the teen parent and be applied to the AU in which the teen parent is a member at the time the sanction is applied.

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- .31 Example: A teen parent moves out of his/her mother's home and establishes an AU of his/her own. The teen parent is discontinued from the mother's AU at the end of June and is eligible in the new AU effective July 1. On July 10 the CWD determines that a sanction is due for the report card period ending June 30. The CWD applies the sanction to the new AU in the months of August and September.

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<b>42-769</b>	<b>APPLICATION OF BONUSES AND SANCTIONS</b>	<b>42-769</b>
	(Continued)	

.4 Treatment of Bonuses and Sanctions in Other Calculations

Section 42-769.4(MR) shall become inoperative and Section 42-769.4(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD shall not include a Cal-Learn bonus or sanction in the calculation of an overpayment adjustment, a homeless assistance payment, or a reduced income supplement payment.

(QR) The county shall not include a Cal-Learn bonus or sanction in the calculation of an overpayment adjustment or a homeless assistance payment.

.5 Section 42-769.5(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Treatment of Bonuses and Sanctions as County-Initiated Mid-Quarter Actions

(QR) Cal-Learn bonuses and sanctions are considered county-initiated mid-quarter actions as described in Section 44-316.33(QR).

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10063, 11265.2, and 11333.7(a) and (d), Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); 45 CFR 250.40(a); Federal Waiver Terms and Conditions for the California Work Pays Demonstration Project, March 1994, and Waiver Authority for the California Work Pays Demonstration Project as transmitted by the United States Department of Health and Human Services Administration for Children and Families letter dated March 1, 1994.

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**STANDARDS OF ASSISTANCE  
INCOME**

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## CHAPTER 44-100 INCOME

### 44-101 INCOME DEFINITIONS

44-101

- (a) Section 44-101(a)(MR) shall become inoperative and Section 44-101(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Income, generally, is any benefit in cash or in kind which is in fact currently available to the individual or is received by him as a result of current or past labor or services, business activities, interests in real or personal property, or as a contribution from persons, organizations or assistance agencies. To be considered in determining the cash aid payment, income must, in fact, be currently available to needy members of the family in meeting their needs during the budget period. Subject to this limitation and the exemptions and exclusions, as specified in Section 44-111 of this chapter, such benefits are taken into consideration as income in evaluating the need of the recipient and in determining the amount of cash aid to which the recipient is entitled.
- (QR) Income, generally, is any benefit in cash or in kind which is reasonably anticipated to be available to the individual or is received by him as a result of current or past labor or services, business activities, interests in real or personal property, or as a contribution from persons, organizations or assistance agencies. To be considered in determining the cash aid payment, income must be reasonably anticipated to be available to needy members of the family in meeting their needs during the QR Payment Quarter. Subject to this limitation and the exemptions and exclusions, as specified in Section 44-111 of this chapter, such benefits are taken into consideration as income in evaluating the need of the recipient and in determining the amount of cash aid to which the recipient is entitled.
- (b) Separate and Community Income
  - (1) Separate income is:
    - (A) Income derived from an interest in separate property; or,
    - (B) Income resulting from employment or military service rendered prior to the present marriage.
    - (C) Income received after the rendition of a decree for separate maintenance, as distinguished from a decree of dissolution, or when one spouse is living apart from the other spouse, as well as after dissolution.

<b>44-101</b>	<b>INCOME DEFINITIONS (Continued)</b>	<b>44-101</b>
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(D) Section 44-101(b)(1)(D)(MR) shall become inoperative and Section 44-101(b)(1)(D)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Funds awarded a married person from his/her spouse in a civil action for personal injuries are considered that spouse's separate income during the month of receipt, and separate property if retained past the month of receipt.

(QR) Funds awarded a married person from his/her spouse in a civil action for personal injuries are considered that spouse's separate income during the month of receipt, and separate property if retained past the month of receipt. If these funds are paid as a nonrecurring lump sum payment, then the funds shall be treated as property in accordance with Section 42-209.2(QR).

(2) Community income is:

(A) Generally income derived from an interest in community property; or,

(B) Income resulting from employment or military service performed during the marriage and not under the situation described in (b)(1)(C) above.

(C) Section 44-101(b)(2)(C)(MR) shall become inoperative and Section 44-101(b)(2)(C)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Funds awarded a married person in a civil action for personal injuries are considered community income during the month of receipt and community property if retained past the month of receipt except as provided in Section 44-101(b)(1)(D) and Sections 42-203.431 through .434.

(QR) Funds awarded a married person in a civil action for personal injuries are considered community income during the month of receipt and community property if retained past the month of receipt except as provided in Section 44-101(b)(1)(D)(QR), 42-203.5, and 42-205.3. If these funds are paid as a nonrecurring lump sum payment, then the funds shall be treated as property in accordance with Section 42-209.2(QR).



44-101	INCOME DEFINITIONS (Continued)	44-101
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(c) Section 44-101(c)(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Reasonably Anticipated Income

(QR) (1) Income is reasonably anticipated when the county determines it is reasonably certain that the recipient will receive a specified amount of income during any month of the QR Payment Quarter. This definition applies to both earned and unearned income. See Section 44-315.31(QR).

(d) Current Income

(1) Current income generally is all income which is available during a month without regard to any allowable exemptions or disregards.

(e) Earned Income

(1) Earned income is income received in cash or in kind as wages, salary, employer provided sick leave benefits, commissions or profit from activities such as a business enterprise, farming, etc., in which the recipient is engaged as a self-employed individual or as an employee.

(2) Earned income also includes:

(A) Earnings over a period of time for which settlement is made at one given time, as in the instance of sale of farm crops, livestock, poultry, other than sale of an entire holding.

(B) Returns from personal or real property, such as net income from rental of rooms, or board and room.

(C) Earnings under Title 1 of the Elementary and Secondary Education Act, and wages paid under the Job Training Partnership Act (JTPA), (see Section 44-111.21 for disregard applicable to JTPA earned income of a child).

44-101 (Cont.)	STANDARDS OF ASSISTANCE INCOME	Regulations
<b>44-101</b>	<b>INCOME DEFINITIONS (Continued)</b>	<b>44-101</b>
	(D) Payments under the Economic Opportunity Act, including payments to beneficiaries of assistance under the Act, through such programs as the Neighborhood Youth Corps, New Careers and Concentrated Employment.	
	(E) Training incentive payments and work allowances under ongoing manpower programs, other than Welfare-to-Work (formerly GAIN) and JTPA.	
	(F) Earnings from On-the-Job Training (OJT).	
	(3) Earned income does not include:	
	(A) Grants that do not meet the exemption criteria specified in Sections 44-111.431, and .432.	
	(B) Benefits (excluding those specified in Section 44-101(e)(1)) accruing as compensation, or reward for service, or as compensation for lack of employment (for example, pensions and benefits, such as veterans benefits).	
	(C) Incentive payments derived from participation in WIN Demo.	
	(D) The training allowances paid to a recipient in JTPA programs. The expense allowance paid to an adult JTPA participant is applied against the actual expenses of training in determining net income. Only the amount that exceeds the expenses is counted as income.	
	(E) Income received from Public Service Employment under the WIN Demo program (WIN/PSE) (see Section 44-113.10).	
	(f) Disability-Based Unearned Income	
	(1) Disability-based unearned income is income received only from one or more of the following:	
	(A) State Disability Insurance benefits.	

<b>44-101</b>	<b>INCOME DEFINITIONS (Continued)</b>	<b>44-101</b>
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| (B) Private Disability Insurance benefits.

| 1. Private Disability Insurance benefits include all privately purchased or employer-sponsored disability insurance benefits whether or not there is an employee contribution.

| 2. Private Disability Insurance Benefits do not include disability benefits that are not insurance, such as veterans benefits.

| (C) Temporary Workers' Compensation benefits.

| (D) Social Security Disability Benefits.

| (g) Unearned Income

Unearned Income is any income that is not earned income or disability-based unearned income.

| (h) Voluntary Contributions

A voluntary contribution is a contribution for which the contributor has no legal liability.

| (i) Death Benefits

Death benefits are considered income. Death benefits are those life insurance or burial payments made to a deceased's beneficiary. To determine net income, see Section 44-113.11.

Note: If the amount of the death benefit is of negligible importance in meeting continuing needs, refer to Section 44-111.44.

| (j) Income In Kind

Income in kind is any benefit received other than in cash. It includes the value of need items provided at no charge (see Section 44-115).

44-101	INCOME DEFINITIONS (Continued)	44-101
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(k) Interest Income

Interest on a savings account in a bank, savings and loan association, or other institution authorized to accept savings and interest which is received as a result of any contractual obligation.

(l) Lump Sum Income

Section 44-101(l)(MR) shall become inoperative and Section 44-101(l)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Lump sum income is any income received by an AU which is not recurring regular income. Lump sum income is usually nonrecurring in regard to amount and/or source. Lump sum income includes but is not limited to the following: retroactive social insurance payments, real estate commissions such as from sales, income from freelance work, net proceeds from sale of a crop and bonuses.

(QR) (1) Lump sum nonrecurring payments are considered property under the quarterly reporting/prospective budgeting system (see Section 42-209.2(QR)).

(m) Section 44-101(m)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Income Reporting Threshold (IRT)

(QR) (1) The level of income that triggers the need for a CalWORKs AU to report a mid-quarter change in income.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11265.1, 11265.2, 11265.3, 11450.5, and 11451.5 (Ch. 270, Stats. 1997), Welfare and Institutions Code; Federal Action Transmittal ACF-AT-94-12; 45 CFR 233.20(a)(6)(iii); 45 CFR 233.20(a)(6)(v)(B); Sallis v. McMahon, Sacramento County Superior Court, case no. 364308, January 30, 1991 and 45 CFR 233.20(a)(3)(iv)(B) and (a)(4)(ii)(d).

<b>44-102</b>	<b>AVAILABILITY OF INCOME</b>	<b>44-102</b>
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.1 Section 44-102.1(MR) shall become inoperative and Section 44-102.1(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) All income shall be considered currently available during the month received, except:

(QR) All reasonably anticipated income shall be considered to be available to meet the needs of the AU during the QR Payment Quarter and shall be considered when determining eligibility and grant amount, except:

.11 INTEREST INCOME - Interest income which is received on a regular basis, but less frequently than monthly, shall be apportioned equally over the number of months it has accrued beginning with the month after receipt.

.12 CONTRACTUAL INCOME - Income an employee receives under an annual contract of employment shall be apportioned equally over the period of the contract beginning with the first month of the contract when he works and receives income from such contract in fewer than twelve (12) months, but more than eight (8) months.

.13 CHILD SUPPORT - Child support collected by the county shall not be considered available to the recipient, other than as provided in Sections 43-203.1 and 43-203.4.

.14 Section 44-102.14(MR) shall become inoperative and Section 44-102.14(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) MONTHLY RECURRING UNEARNED GOVERNMENTAL BENEFITS - Monthly benefits (e. g., Social Security benefits, or Veterans benefits, etc.) shall be considered to be available in the month the payment was intended, rather than actually received, when the income meets the following criteria:

(QR) MONTHLY RECURRING UNEARNED GOVERNMENTAL BENEFITS - Monthly benefits (e.g., Social Security benefits, or Veterans benefits, etc.) shall be considered to be available in the month the payment is reasonably anticipated to be received or is intended for (see Section 44-315.31(QR)), when the income meets the following criteria:

<b>44-102</b>	<b>AVAILABILITY OF INCOME</b> (Continued)	<b>44-102</b>
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|  | .141 | The receipt date of the income varies because mailing cycles cause two payments to be received in one month and none in the preceding or following month; |
|  | .142 | The source of income is a governmental benefit program; and   |
|  | .143 | The income is unearned and recurring.   |

	NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11157 (Ch. 270, Stats. 1997), 11265.2, and 11450.5, Welfare and Institutions Code.
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<b>44-103</b>	<b>EXPLORATION OF INCOME POTENTIALS AND INCOME VERIFICATION</b>	<b>44-103</b>
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.1	County Responsibility
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.11	The county shall:
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|------|---|-----|----------------------------|-----|--|-----|---|-----|--|
| .111 | Review, with the applicant or recipient, all his/her resources to determine income-producing potential.   |     |                            |     |  |     |   |     |  |
| .112 | Determine whether income is actually received and, if so: <table border="1"> <tr> <td style="width: 5%;">(a)</td> <td>The regularity of receipt,</td> </tr> <tr> <td>(b)</td> <td>The gross or net amount, as appropriate,</td> </tr> <tr> <td>(c)</td> <td>The applicant's or recipient's share, and</td> </tr> <tr> <td>(d)</td> <td>Whether the income is excluded or exempt, in whole or in part.</td> </tr> </table> | (a) | The regularity of receipt, | (b) | The gross or net amount, as appropriate, | (c) | The applicant's or recipient's share, and | (d) | Whether the income is excluded or exempt, in whole or in part. |
| (a)  | The regularity of receipt,  |     |                            |     |  |     |   |     |  |
| (b)  | The gross or net amount, as appropriate,  |     |                            |     |  |     |   |     |  |
| (c)  | The applicant's or recipient's share, and   |     |                            |     |  |     |   |     |  |
| (d)  | Whether the income is excluded or exempt, in whole or in part.  |     |                            |     |  |     |   |     |  |
| .114 | Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.  |     |                            |     |  |     |   |     |  |
| .115 | Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.  |     |                            |     |  |     |   |     |  |

<b>44-103</b>	<b>EXPLORATION OF INCOME POTENTIALS AND INCOME VERIFICATION (Continued)</b>	<b>44-103</b>
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- .116 Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.
- .117 Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.
- .118 Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.
- .12 The county shall examine income available to the applicant or recipient from the following potential sources:
  - .121 Social Insurance, i.e., OASDI, Railroad Retirement, Unemployment Insurance, Disability Insurance, etc.
  - .122 Benefits available to veterans of military service, members of military service, their spouses, and their dependents.
  - .123 Rights and interests in real and personal property.
  - .124 Responsible relatives who may be contributing or have a legal liability to contribute.
  - .125 Other persons who may be contributing.
  - .126 Recipient's capacity for self-help and employment.
  - .127 Private pension plans, union welfare funds, life insurance disability benefits, and other forms of assistance.
- .2 Applicant and Recipient Responsibility
  - .21 The applicant or recipient, including the person responsible for the child shall provide information necessary to determine income.
  - .22 The requirement in Section 44-103.21 is considered to be met on the date of application as long as it is completed by the date of authorization of aid.
  - .23 The county shall deny or discontinue aid, including immediate need, to the AU when the applicant or recipient fails or refuses to provide information necessary to determine income.

<b>44-103</b>	<b>EXPLORATION OF INCOME POTENTIALS AND INCOME VERIFICATION (Continued)</b>	<b>44-103</b>
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.231 Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.

.24 Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.

.3 Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.

NOTE: Authority cited: Sections 10553, 10554, 10604, and 11209, Welfare and Institutions Code.  
Reference: Sections 10553, 10554, 10604, and 11270, Welfare and Institutions Code; and 45 CFR 233.10(a)(1) and 233.20(a)(3)(ix).

<b>44-105</b>	<b>DIFFERENTIATION OF PROPERTY AND INCOME</b>	<b>44-105</b>
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.1 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)

.2 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)

.3 Payments Which Include Compensation for Converted Property

.31 Payments which include compensation for converted property are those payments received from insurance companies, settlements, court judgments, or other similar sources which wholly or partially compensate for property which has been lost, stolen, damaged, or destroyed.

.32 The proper treatment of such payments is made by determining the proportion of the payment attributable to the property conversion and to treat the remainder as income. This determination is made by subtracting from the total amount of the payment, the value of the converted property at the time it was lost, stolen, damaged, or destroyed.

The value of the converted property shall be the largest of the following amounts:

- (1) The value specified by the issuing source (insurance claim, specified verdict, etc.).
- (2) The value assigned to the property at the last redetermination prior to its destruction.
- (3) The value that would have been assigned to the property under current regulations (e.g., the value of a motor vehicle in accordance with 42-215.4).
- (4) Any other evidence substantiating the value of the property at the time it was lost, stolen, damaged, or destroyed.



<b>44-105</b>	<b>DIFFERENTIATION OF PROPERTY AND INCOME (Continued)</b>	<b>44-105</b>
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.33 The portion of the payment which compensates for converted property shall be treated in accordance with Section 42-213.

.34 Any remainder shall be treated in accordance with Section 44-113.

<b>44-111</b>	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME</b>	<b>44-111</b>
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.1 The Exclusions and Exemptions and the Applicable Programs are Discussed Below

Federal and state statutes exclude or exempt certain types of payments or benefits in whole or in part from consideration as income. These exclusions and exemptions vary widely between programs. However, the federal statutes also provide that any income to an individual which is disregarded in determining his eligibility under the provisions of one categorical aid program, shall not be taken into consideration in determining the eligibility and/or the amount of assistance paid to a recipient receiving aid under another categorical aid program.

.2 Exemption of Earned Income

(See Section 44-101(e) for the definition of earned income.)

.21 Job Training Partnership Act (JTPA) - Earned Income of a Child

.211 All earnings of a child (see Section 42-101 for age requirement) which are derived from participation in JTPA programs shall be disregarded from consideration as income for both eligibility and grant determinations.

.212 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

.22 Student Exemption

.221 All earned income of a child under 19 years old is exempt if:

- a. He/she is a full-time student, or
- b. He/she has a school schedule that is equal to at least one-half of a full-time curriculum, and he is not employed full time.

.222 For purposes of this exemption the following definitions apply:

- a. School attendance is defined as attendance in a school, college, university, or in a course of vocational or technical training designed to fit the child for gainful employment and includes a participant in the Job Corps program under the Economic Opportunity Act.

44-111	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)</b>	44-111
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b. Part-time employment is defined as less than 173 hours per month.

.223 The student exemption applies to full- or part-time earnings between school terms or during vacation periods, if the child plans to continue to be a student next term or when the vacation period ends.

.224 This exemption is applied:

a. For financial eligibility purposes, to the earnings of full-time student applicants and recipients and part-time student recipients. This exemption does not apply to earnings of a part-time student applicant. See Section 44-207.321.

b. For purposes of grant determination whether or not the student has received aid previously.

.23 \$225 and 50% Disregards

.231 A family shall have \$225 of disability-based unearned income or any earned income and 50% of any remaining earned income disregarded as income. These disregards are applied as follows and subject to the method outlined in Section 44-113.2. If the disability-based unearned income is:

(a) Greater than \$225, the difference is added to any other nonexempt income.

(b) Less than \$225, the remainder of the disregard is subtracted from any earned income.

(c) Zero, the \$225 is applied against any earned income.

.232 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

.233 Wages derived from a diverted grant and/or grant savings and paid to CalWORKs recipients who are participants in the grant-based OJT programs specified in Sections 42-716.111(f) and (g) shall not be eligible for the \$225 and 50 percent earned income disregard.

.24 College Work Study Programs

Earned income from any college work study program is exempt. This exemption is applied for both eligibility and grant determination whether or not the student has received aid previously.

<b>44-111</b>	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)</b>	<b>44-111</b>
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| .25 Independent Living Program (ILP)

| .251 Income and incentive payments earned by a child 16 years of age or older who is participating in the Independent Living Program (ILP) are exempt as income for purposes of eligibility and grant determination when received as part of the ILP written transitional independent living plan. There is no limit to the amount exempted under this subsection.

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See Sections 30-002i.(1), w.(1), 30-342.5, and 30-442.5 for the definition and description of ILP.

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.3 Exemption of Payments from Public Sources

- a. A relocation assistance benefit, paid by a public agency to a public assistance recipient who has been relocated as a result of a program of area redevelopment, urban renewal, freeway construction or any other public development, involving demolition or condemnation of existing housing, is exempt income.
- b. (Reserved)
- c. Job Training Partnership Act (JTPA)
  - (1) Payments, other than earnings, to a child (see Section 42-101 for age requirement) which are derived from participation in JTPA programs shall be disregarded as income for both eligibility (including the 185 percent income limit) and grant determinations. There is no time limit for this disregard. This disregard does not apply to earnings paid under the Act (see Section 44-111.21).
  - (2) Payments to an adult which are derived from participation in JTPA programs shall be exempt as income to the extent the payment reimbursements do not exceed actual expenses. This exemption does not apply to earnings paid under the Act.
- d. (Reserved)
- e. (Reserved)

<b>44-111</b>	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)</b>	<b>44-111</b>
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- f. Payments made by CalWORKs for child care costs pursuant to Section 47-420.2.
- g. (Reserved)
- h. (Reserved)
- i. (Reserved)
- j. Payments made for out-of-pocket expenses of persons serving on advisory group(s) set up by the Department of Social Services and/or the Health and Welfare Agency are exempt.
- k. Exempt the following payments or funds received from the California Franchise Tax Board:
- (1) Renters Credits
- (2) Senior Citizens Homeowners and Renters Property Tax Assistance Program  
(applies to persons who are disabled, blind or 62 years of age or older)
- (3) Senior Citizens Property Tax Postponement Program  
(applies to persons 62 years of age and older)
- l. Special Tax Rebates and Credits

Tax rebates, credits or similar temporary tax relief measures which state or federal law for AFDC specifically exclude from consideration as income are exempt.

The state shall promptly advise county welfare departments on the exempt status of other special tax rebates and credits in each program and shall prescribe the method of notifying recipients. Recipients must cooperate with county personnel by providing necessary information or documentation such as Form W-2 and Form 1040 to compute the correct grant amount. This section does not apply to annual refunds of income tax.

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Income tax refunds are classified as personal property (see Section 42-211.21).

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<b>44-111</b>	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)</b>	<b>44-111</b>
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- m. Payments received under the California Victims of Crimes Program are exempt.
- n. The allowance for training expenses paid to recipients participating in Department of Rehabilitation training programs.
- o. Payments received under the Energy Crisis Assistance Program or the Low Income Energy Assistance Program.
- p. (Reserved)
- q. Repealed by Manual Letter No. EAS-92-01, effective 1/1/92.

.4 Exclusions or Exemptions of Other Payments and Income

.41 Academic/Extracurricular Awards or Scholarships to Dependent Children

- .411 Any awards or scholarships provided by public or private entity, to or on behalf of, a dependent child based on the child's academic or extracurricular achievement or participation in a scholastic, educational, or extracurricular competition.

.42 County Supplementation and Voluntary Contributions

- .421 County supplementation and/or voluntary contributions from persons or organizations having no liability for the support of the recipient, are not considered income when:

- a. The service to be provided is designated as a need by the State Department of Social Services, and
- b. The contribution would not be available for expenditure unless used in accord with conditions imposed by the donor, and
- c. The recipient's grant and other income are not sufficient to meet his total need within the limitations specified in the Need chapter for the particular program, or the designated need is one, all or a portion of, which is not included in the assistance standard for the particular program and thus cannot be met from the recipient's grant and income.

- .422 Designated needs within the meaning of this section include:

- a. Housing Approved for Federal Rent Supplements Under the Housing Act of 1965.

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<b>44-111</b>	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)</b>	<b>44-111</b>
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When the recipient qualifies for a rent supplement under the Federal Housing Act of 1965, the rent supplement payment made by the federal agency, on behalf of the recipient, to the landlord or sponsor, is disregarded as income.

.43 Loans and Grants

The following loans and grants are not considered income as specified: (See Section 42-213.2c for treatment as property.)

- .431 Loans and grants received under the Carl D. Perkins Vocational and Applied Technology Education Act. These loans and grants are excluded only to the extent that the proceeds are used to meet attendance costs for a student attending school on at least a half-time basis, as defined by the institution. Attendance costs are defined as tuition, fees, rental or purchase of required equipment, materials or supplies, books, transportation, dependent care and miscellaneous personal education expenses.

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- a. The following examples apply to loans and grants under the Carl D. Perkins Vocational and Applied Technology Education Act only:
1. Example: Grant - Student is awarded a \$1000 grant. \$600 is for tuition, fees and books; \$400 is used to meet current living expenses during the budget period. The \$600 used to meet attendance costs is exempt from consideration as income. The \$400 used to meet current needs, not associated with attendance costs, is taken into consideration as income in the month received.
  2. Example: Loan - Student is awarded a \$1000 loan. \$600 is for tuition, fees and books; \$400 is used to meet current needs during the budget period. The recipient provides a written agreement signed and dated by the lender and recipient which indicates an obligation to repay the loan and a repayment plan. The full loan is subject to exemption based on Section 44-111.437.

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<b>44-111</b>	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)</b>	<b>44-111</b>
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- .432 Loans or grants made under Title IV of the Higher Education Act or under the Bureau of Indian Affairs student assistance program.
- a. This includes student loans and grants that are partially funded under these programs, e.g. 50 percent Title IV funds and 50 percent state funds.

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- b. Examples of Title IV and Bureau of Indian Affairs loans and grants include:
1. Supplemental Educational Opportunity Grant Program
  2. Carl D. Perkins Loans (NOTE: Differs from the student financial assistance provided under the Carl D. Perkins Vocational Act).
  3. Robert C. Byrd Honors Scholarship Program
  4. National Science Scholars Program
  5. State Student Incentive Grants
    - A. Cal Grant Program

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**HANDBOOK CONTINUES**



<b>44-111</b>	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)</b>	<b>44-111</b>
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**HANDBOOK CONTINUES**

6. Paul Douglas Teacher Scholarship Program
7. College Work Study (See Section 44-111.25.)
8. Income Contingent Loan (ICL) Program
9. Bureau of Indian Affairs Higher Education Grant
10. Indian Health Service Scholarship Program
11. Pell Grant
12. Federal Family Education Loan (FFEL) Program
  - A. Guaranteed Student Loan (GSL) Program
  - B. Stafford Loan Program
  - C. Consolidation Loan Program
  - D. Supplemental Loans for Students (SLS) Program
  - E. Parent Loans for Students (PLUS) Program

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- .433 Any other grant to any undergraduate student for educational purposes made or insured under any program administered by the Federal Secretary of Education.
- .434 Educational grants to undergraduate students when awarded on the basis of the student's need.

<b>44-111</b>	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)</b>	<b>44-111</b>
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- a. The recipient shall provide a certification from an official at the student's school (preferably from the Financial Aid office) concerning the student's eligibility for this income exemption. The certification must state that the award is based on need and that the Public Assistance grant was considered in making the award.
- .435 Educational grants other than those excluded in Sections 44-111.432, .433, and .434 only to the extent that the proceeds are used to meet educational expenses, such as fees, equipment, special clothing needs, transportation to and from school, child care services necessary for school attendance, etc.
  - a. The necessary costs of transportation to and from school shall be allowed based on the mode most economically available and feasible in the particular circumstances. If it is determined that personal car usage meets the criteria above, all actual transportation costs will be prorated based on the percentage of miles driven to and from school to total miles driven. Allowable transportation costs include, but are not limited to, car payments, car insurance and registration and gasoline.
  - b. The student must appropriately document his/ her educational expenses for the county in order to receive this exemption.
- .436 Any other grants when it is verified that the proceeds are not available to meet current needs. For purposes of this section current needs are defined as those items covered in Section 44-115.3.
- .437 Loans other than those excluded in Sections 44-111.431 and .432 shall be exempt. A loan is defined as specified in Sections 44-111.437a., a.(1) and a.(2):
  - a. A written agreement signed and dated by the lender and applicant/recipient as parties to the agreement that clearly specifies:
    - (1) the obligation of the applicant/recipient to repay the loan; and
    - (2) a repayment plan which provides for installments of specified amounts that continue on a regular basis until the loan is fully repaid.

<b>44-111</b>	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)</b>	<b>44-111</b>
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.44 Infrequent Income

- .441 Income that is received in prospectively budgeted months and is received too infrequently to be reasonably anticipated, shall be exempt from consideration, as allowed in Food Stamp Regulations, Section 63-502.2(d).

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Food Stamp Regulations, Section 63-502.2(d) states, any prospectively budgeted income in the certification period which is received too infrequently or irregularly to be reasonably anticipated, but not in excess of \$30 in a quarter, is excluded as income.

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.45 Income in Kind

.451 Home Produce

Home produce such as from garden, orchard, livestock, and poultry utilized by a recipient and his household for their own consumption is not income.

.452 Partial Items of Need

Income in kind for partial items of need is exempt.

.453 Offer of a Free Home

Except as provided in W&IC 11264, aid shall not be denied or discontinued for an otherwise eligible child who is offered a free home.

.454 Provided by a Private Nonprofit Organization

Any income in kind, whether a full or partial item of need, provided on the basis of need by a private nonprofit organization shall be exempt as income.

Private nonprofit organizations are religious, charitable, educational, or other organizations such as described in Section 501(c) of the Internal Revenue Code of 1954, which include but are not limited to the Salvation Army, Red Cross, and churches. (Actual tax exempt certification by IRS is not necessary.) Exception: Any assistance provided by Voluntary Resettlement Agencies (VOLAG) as part of their resettlement responsibilities must be considered in determining the refugee's eligibility for aid under the Refugee Demonstration Project (RDP) or Refugee Cash Assistance (RCA) program.

<b>44-111</b>	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)</b>	<b>44-111</b>
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.46 Funds Received as a Result of the Settlement in the Underwood v. Harris Court Case

Retroactive subsidy payments received from the Department of Housing and Urban Development (HUD) which represent a reimbursement of increased tax and utility costs which were incurred in 1975 through 1977 (see Section 42-211.258(d) and 42-213.2(y) for treatment as property).

.47 Child/Spousal Support Disregard

The first \$50 per month of current child/spousal support paid to or on behalf of an assistance unit shall be disregarded when determining both eligibility and grant amount.

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See Section 42-213.2(k).

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.471 When the child/spousal support payment is received by the county, the amount of the current support payment which is paid to the assistance unit shall be disregarded. This disregard is applied in the month in which the child/spousal support payment is received by the county for eligibility determination and applied in the month in which the disregard payment is received by the assistance unit, if different, for eligibility and grant determination.

.472 Section 44-111.472(MR) shall become inoperative and Section 44-111.472(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When a current child/spousal support payment is directly received by the assistance unit from the absent parent, the first \$50 of such payment is disregarded and the balance of the support payment is considered income to the assistance unit.

(QR) When a current child/spousal support payment is received or reasonably anticipated to be received by the assistance unit directly from the absent parent, the first \$50 of such payment is disregarded and the balance of the support payment is considered income to the AU.

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(a) See Sections 82-520.4 and .5.

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<b>44-111</b>	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)</b>	<b>44-111</b>
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- .473 The total amount of the current child/spousal support disregard attributable to any month shall not exceed \$50 per assistance unit regardless of whether the child/spousal support is received by the county, with a portion paid to the assistance unit, or the support payment is received by the assistance unit directly. If in the same month the assistance unit receives a disregard payment from the county attributable to a prior month and also receives a current support payment directly from an absent parent/spouse, the assistance unit shall be entitled to both disregards. If the assistance unit receives a payment from the county which consists of payments from current child/spousal support for more than one month, the \$50 limit shall apply only to the total child/spousal support disregard for the month to which the disregard is attributable.

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For example, the county received current child/spousal support payments of \$150 in January, \$150 in February and issued the assistance unit a payment of \$100 in March. The total \$100 shall be disregarded in March for purposes of determining eligibility and grant since it is attributable to January and February.

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.5 Nonexempt Income

Payments which do not fall within the limitations specified in the foregoing subsections, represent nonexempt income to be considered in determining the recipient's grant.

.6 Other income which is mandatorily and specifically exempt by federal law and shall be exempt from the effective date as specified in federal law.

.61 Income which is mandatorily exempt under federal law includes but is not limited to:

- a. Public Law (PL) 92-254 or PL 94-540 which exempts any funds distributed per capita or held in trust for members of any Native American tribe under PL 92-254 or PL 94-540.
- b. PL 93-134, PL 97-458 and PL 98-64 which exempt as income the funds of Native American tribes including interest earned from, and investment income derived from such funds when the funds have been:

44-111	<b>PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)</b>	44-111
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- (1) Distributed by the Secretary of the Interior on a per capita basis; or
- (2) Held in trust by the Secretary of the Interior.
- c. PL 103-66 which exempts, up to \$2,000 in any 12 consecutive month period, the income of individual Indians when such income is derived from individually owned interests in trust or restricted lands.
- d. PL 89-73 which exempts compensation received by recipients 60 years old, or older, for volunteer services performed under the Retired Senior Volunteer Program, the Foster Grandparents Program, or the Older Americans Community Service Program of the National Older Americans Act.
- e. PL 92-433 and PL 93-150 which exempt the value of supplemental food received under the Child Nutrition Act (WIC) and the National School Lunch Act.
- f. PL 93-113 which exempts payments made under the Domestic Volunteer Services Act of 1973 to welfare recipients who are Vista Volunteers, and payments made for supportive services or reimbursement of out-of-pocket expenses made to persons serving in the Service Corps of Retired Executives (SCORE) and the Active Corps of Executives (ACE) pursuant to Section 418.
- g. PL 100-241 which exempts distributions to a household, individual Native or descendent of a Native when received from a Native Corporation established pursuant to the Alaskan Native Claims Settlement Act (ANCSA). Exempt distributions include:
  - (1) Cash (including cash dividends on stock received from a Native Corporation) to the extent it does not exceed \$2,000 total per person per annum, stock, a partnership interest, land or interest in land, and interest in a settlement trust.
- h. PL 100-383 which exempts payments received as restitution made to U.S. citizens and permanent resident aliens of Japanese ancestry and payments received as restitution made to Aleuts as a result of being relocated by the United States government during World War II.
- i. PL 100-707 which exempts federal major disaster and emergency assistance provided under the Disaster Relief Act and comparable disaster assistance provided by the state, local governments and disaster assistance organizations.

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- j. PL 101-201 and PL 101-239 which exempt payments received from all Agent Orange settlements.
- k. PL 101-426 which exempts payments received under the Radiation Exposure Compensation Act.
- l. PL 101-508 which exempts Earned Income Credit (EIC) payments.
- m. PL 103-286 which exempts payment received as restitution made to victims of Nazi persecution.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11008.15, 11265.2, 11280, 11322.6(f)(3), 11157 (Ch. 439, Stats. of 2002), 11450.5, 11450.12, 11451.5, and 11451.7, Welfare and Institutions Code; 42 USC Section 602(g)(1)(E)(i); Section 8, Public Law 93-134; Section 2, Public Law 98-64; Section 13736, Public Law 103-66; Section 1, Public Law 100-286, Section 202(a), Public Law 100-485 and 20 USC 1087uu; 45 CFR 233.20(a)(3)(iv)(B), (a)(3)(xxi), 45 CFR 233.20(a)(4)(ii); (a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p) and (q); 45 CFR 233.20(a)(11)(v)(C); 45 CFR 255.3(f)(1); Federal Action Transmittals ACF-AT-94-27 and 94-4 and FSA-IM-89-1.

<b>44-113</b>	<b>NET INCOME</b>	<b>44-113</b>
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.1 Property

Net income from property (including that from property in which a life estate is held), produce or business enterprises is determined by deducting from gross income all normal items of expenses incident to its receipt. Principal payments on encumbrances are not considered a necessary item of expense. If property is sold, the interest portion of any payment received is income.

Interpretation -- Net income from property, crops and livestock is computed as follows:

Source	Computation
a. Rental of real property including that in which life estate held.	<p>Deduct from gross rental the following expenses incident to receipt:</p> <ol style="list-style-type: none"> <li>1. Taxes and assessments.</li> <li>2. Interest on encumbrance payments (do not deduct principal payments).</li> <li>3. Insurance.</li> <li>4. Utilities.</li> <li>5. Upkeep and major repairs.</li> </ol>

44-113	NET INCOME (Continued)	44-113
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If a complete dwelling unit is rented the county after consultation with the recipient (a) deducts the amount actually expended each month for upkeep and repairs; or (b) deducts 15% of the gross monthly rental plus \$4.17 a month.

Note: The above expenses are prorated on the same periodic basis as the periodic basis on which the rental is received (i.e., annually, quarterly, monthly, etc.). Multiply rental income received weekly by 4-1/3 to get monthly income.

Note: Under the ordinary life estate agreement, the life tenant is entitled to the use and/or income from the property and is responsible for the usual costs of ownership such as taxes, insurance, upkeep, etc. However, if the life estate agreement stipulates the remainderman is responsible for certain expenses, such payments do not represent income to the life tenant.

b.	Rental of rooms and Room and Board	See Section 44-113.212 for computing self-employment net income.
c.	Sale of real property under contract of sale, title not passing.	The interest received is net income (principal payments represent conversion of property from real to personal property). Deduct any interest payments on prior encumbrances in determining net income from interest received from sale of real property under contract of sale.
d.	Personal property (rental of trucks, equipment, etc.)	Deduct from gross rental all expense necessary to maintenance, etc.
e.	Personal property (interest on money, stocks, bonds, etc.)	All interest received is net income, except interest on savings accounts as provided in W&IC 11009.



44-113	NET INCOME (Continued)	44-113
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| f. | Sale of crops | Deduct from gross income the following expenses which are incurred.  |
|    |               | <ol style="list-style-type: none"> <li>1. Taxes and assessments.</li> <li>2. Interest on encumbrance payments (do not deduct principal payments.)</li> <li>3. Water cost.</li> <li>4. Necessary repair and minor replacement of buildings and equipment.</li> <li>5. Fertilizer, seed, insecticides, pruning, cultivation and harvesting costs.</li> <li>6. Rental of equipment.</li> <li>7. Wages.</li> <li>8. Losses on crops from the previous period.</li> <li>9. Other necessary expenses.</li> </ol> |

Prorate the annual expenses such as taxes, assessments, etc., according to the intervals at which the gross income was received. If other expenses cannot be identified with a particular period, determine the method which assures that the expenses are allocated as closely as possible to the period of crop income, and that on a continuing basis all necessary expenses are deducted from gross income.

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| g. | Sale of Livestock | <p>Proceeds from the sale of the increase of livestock (i.e., that portion which represents a capital gain) is gross income. Deduct expenses incident to raising the livestock (such as feed, pasture rent, prorated personal property tax) in computing net income.</p> <p>Since such income is usually received at intervals of more than one month, the same principles that apply to determining the periods of expense for the sale of crops, apply to the sale of livestock.</p> |
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Note:	Proceeds from the sale of an entire holding of livestock are not income but conversion of property.
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44-113	NET INCOME (Continued)	44-113
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.2 Earnings

.21 Computation of Net Nonexempt Earned Income for CalWORKs

To determine the amount of Net Nonexempt Earned Income for the month, the following steps shall be taken:

.211 Section 44-113.211(MR) shall become inoperative and Section 44-113.211(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Determine the total amount of commissions, wages or salary earned as an employee during or applicable to the month (i.e., total income irrespective of expenses, voluntary or involuntary deductions). To determine total earnings for the month, some earnings may have to be allocated to the month pursuant to Section 44-102. Also, the monetary value of any in-kind earned income per Section 44-115 shall be included. Do not include earnings exempted in entirety under Section 44-111.22.

(QR) Determine the total amount of commissions, wages or salary earned as an employee that the AU reasonably anticipates receiving (see Section 44-101(c)(1)(QR)) during each month of the QR Payment Quarter (i.e., total income irrespective of expenses, voluntary or involuntary deductions). To determine total earnings for each month, some earnings may have to be allocated to each month pursuant to Section 44-102. Also, the monetary value of any in-kind earned income per Section 44-115 shall be included. Do not include earnings exempted in entirety under Section 44-111.22.

.212 Section 44-113.212(MR) shall become inoperative and Section 44-113.212(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Determine the total profit earned from self-employment by an applicant/recipient whose earnings are not exempted under Section 44-111.22 by offsetting the business expenses against the gross income from self-employment. When the computation of total profit earned from self-employment disclosed shows that a loss has occurred, earned income from self-employment shall be zero. No additional offset shall be allowed against the family's other income.

**44-113 NET INCOME (Continued)****44-113**

(QR) Determine the total profit reasonably anticipated to be earned from self-employment during each month of the QR Payment Quarter by an applicant/recipient whose earnings are not exempted under Section 44-111.22 by offsetting the reasonably anticipated monthly business expenses against the reasonably anticipated monthly gross income from self-employment. When the computation of total profit earned in a month from self-employment disclosed shows that a loss has occurred, earned income from self-employment for that month shall be zero. No additional offset shall be allowed against the family's other income.

(a) The applicant or recipient who is self-employed shall choose one of the following deductions:

(1) 40 percent of gross self-employed income, or

(2) Section 44-113.212(a)(2)(MR) shall become inoperative and Section 44-113.212(a)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) verified actual self-employment expenses to the same extent allowed in the Food Stamp Program (Section 63-503.41).

(QR) reasonably anticipated self-employment expenses to the same extent allowed in the Food Stamp Program (Section 63-503.41).

(b) Recipients who are self-employed shall be allowed to change the method of deduction identified in Section 44-113.212(a) only at redetermination or every six months, whichever occurs first.

.213 Section 44-113.213(MR) shall become inoperative and Section 44-113.213(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Combine the total earnings for the family determined in Section 44-113.211(MR) with any net self-employment income determined in Section 44-113.212(MR).

(QR) Combine the total monthly earnings for the family determined in Section 44-113.211(QR) with the monthly net self-employment income determined in Section 44-113.212(QR).

.214 Section 44-113.214(MR) shall become inoperative and Section 44-113.214(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

<b>44-113</b>	<b>NET INCOME (Continued)</b>	<b>44-113</b>
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|  | <p>(MR) Apply, as specified in Section 44-111.23, the \$225 disregard to any disability-based unearned income for the family.</p>   |  |
|  | <p>(QR) Apply, as specified in Section 44-111.23, the \$225 disregard to the reasonably anticipated total monthly disability-based unearned income for the family.</p>  |  |
|  | <p>.215 Section 44-113.215(MR) shall become inoperative and Section 44-113.215(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.</p> |  |
|  | <p>(MR) Apply any remainder of the \$225 disregard to any earned income for the family determined in Section 44-113.213(MR).</p>  |  |
|  | <p>(QR) Apply any remainder of the \$225 disregard to the reasonably anticipated total monthly earned income for the family as determined in Section 44-113.213(QR).</p>  |  |
|  | <p>.216 Apply the 50% disregard to any remaining earned income for the family.</p>  |  |
|  | <p>.217 Add to the amount in Section 44-113.216 any excess nonexempt disability-based unearned income and/or any nonexempt unearned income. This total is the net nonexempt income available to the family.</p>             |  |
|  | <p>.218 Add together the amounts remaining after application of the above sections for each recipient. This total is net nonexempt earned income for the FBU.</p>   |  |

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|  | <p>.22 Section 44-113.22(MR) shall become inoperative and Section 44-113.22(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.</p> |  |
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	<p>(MR) Net Nonexempt Income Computation</p>	
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Example 1

A nonexempt AU of 3 (a recipient and two children) has gross earned income of \$775 per month, with no other income. The family lives in Region 1.

\$ 775	Earned Income
- 225	\$225 Income Disregard
\$ 550	Subtotal
- 275	50% Earned Income Disregard
\$ 275	Total Net Nonexempt Income

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(QR) Net Nonexempt Income Computation

Example 1

A nonexempt AU of three (a parent and two children) has gross monthly earned income of \$775 per month, with no other income. The monthly income is reasonably anticipated to continue at the same amount for the QR Payment Quarter. The family lives in Region 1.

\$ 775	Earned Income
- 225	\$225 Income Disregard
\$ 550	Subtotal
- 275	50% Earned Income Disregard
\$ 275	Total Net Nonexempt Income

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.3 Net Income from Social Security, Railroad Retirement Benefits and Other Pensions

.31 Section 44-113.31(MR) shall become inoperative and Section 44-113.31(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Net income from Social Security or from Railroad Retirement Benefits is the actual amount paid to or on behalf of a member of the assistance unit except:

(QR) Net income from Social Security or from Railroad Retirement Benefits is the amount reasonably anticipated to be paid to or on behalf of a member of the assistance unit in the QR Payment Quarter except:

.311 When Social Security benefits are paid to a representative payee on behalf of a member of the assistance unit and the representative payee does not live in the same household as the assistance unit, the Social Security benefits are counted as income only to the extent that the representative payee makes them available for the support of the beneficiary.

.32 Section 44-113.32(MR) shall become inoperative and Section 44-113.32(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Net income from other types of pensions and similar sources is the amount received or, if the individual is required to pay income tax on such income or has other required expenses in receiving such income, net income is the amount received less these expenses.

44-113	NET INCOME (Continued)	44-113
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(QR) Net income from other types of pensions and similar sources is the amount reasonably anticipated to be received in the QR Payment Quarter or, if the individual is required to pay income tax on such income or has other required expenses in receiving such income, net income is the amount received less these expenses.

.4 Unrelated Adults, Including Unrelated Adult Males, Living in the Home

.41 Net income to the Family Budget Unit (FBU) from an unrelated adult living in the home including an Unrelated Adult Male (UAM) is the sum of:

.411 Section 44-113.411(MR) shall become inoperative and Section 44-113.411(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) cash given to the FBU which is available to meet the needs of the FBU and;

(QR) cash reasonably anticipated to be given to the AU in the QR Payment Quarter which is available to meet the needs of the AU and:

.412 Section 44-113.412(MR) shall become inoperative and Section 44-113.412(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) the value of full items of need provided in-kind to the FBU. An item is not considered to be provided in-kind to the FBU if the FBU is receiving this full item of need in exchange for the FBU providing the UAM with a different item. For example, if a UAM and AFDC mother agree that he will pay the rent if she pays their food and utilities, the FBU is not receiving in-kind income for housing.

(QR) the value of full items of need reasonably anticipated to be provided in-kind to the AU in the QR Payment Quarter. An item is not considered to be provided in-kind to the AU if the AU is receiving this full item of need in exchange for the AU providing the UAM with a different item. For example, if a UAM and a CalWORKs mother agree that he will pay the rent if she pays their food and utilities, the AU is not receiving in-kind income for housing.

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.42 Section 44-113.42(MR) shall become inoperative and Section 44-113.42(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Cash given to the FBU which is available to meet the needs of the FBU does not include.

(QR) Cash that is reasonably anticipated to be given to the AU in the QR Payment Quarter does not include:

.421 Cash which is conditioned on its use for nonneed items for the FBU, unrelated adult, or any other person.

.422 Cash designated by the unrelated adult to meet (1) his/her needs and expenses, including work-related expenses defined in Section 44-113, and/or (2) the needs and expenses of the unrelated adult's child(ren) or other unaided persons in the home the UAM is supporting.

.423 Cash which the AFDC mother and unrelated adult have specifically agreed constitutes the unrelated adult's share of the cost-of-living arrangement. For example, assume a UAM is required to make a financial contribution of \$182 to the FBU. (See Section 43-109.1 and .2.) If the UAM and AFDC mother agree that the UAM's share of the cost-of-living is \$200 and the UAM gives the mother his \$200 share, no part of this \$200 is available to meet the needs of the FBU.

.424 Any other amounts which the unrelated adult designates as not available to the FBU.

.43 When the unrelated adult's income is pooled with those of the FBU, the pooled income is treated as if cash were given to the FBU.

.44 The value of full items of need provided to the FBU is determined according to EAS Section 44-115.8. For example, assume that a UAM and his child live with an AFDC mother and her two children. If the UAM pays the entire \$300 rent to the landlord, the value of the full item of need to the FBU is the lesser of (1) the in-kind income table amount for housing for three; or (2) 3/5 of \$300 (\$180). If the in-kind income table amount were \$163, the amount of in-kind income for housing to the FBU would be \$163.

.5 Section 44-113.5(MR) shall become inoperative and Section 44-113.5(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

<b>44-113</b>	<b>NET INCOME (Continued)</b>	<b>44-113</b>
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(MR) Child/spousal support which is paid to the AU by the absent parent and not forwarded to the county or which is collected by the county and paid to the AU pursuant to Section 82-520.4 shall be considered available income when received except as specified in Section 44-111.47.

(QR) Child/spousal support which is reasonably anticipated to be paid during the QR Payment Quarter to the AU by the absent parent and not forwarded to the county shall be considered available income except as specified in Section 44-111.47.

.6 Refunds of Retirement Contributions

.61 Section 44-113.61(MR) shall become inoperative and Section 44-113.61(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Lump-sum refunds of the employer's share of retirement contributions shall be considered net unearned income in the month received.

(QR) Nonrecurring lump sum refunds of the employer's share of retirement contributions shall be treated as property (see Section 42-209.2(QR)).

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See Section 42-211.257 for treatment of the employee's share of retirement contributions.

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.62 Section 44-113.62(MR) shall become inoperative and Section 44-113.62(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The interest earned on accumulated retirement contributions shall be treated as income in the month received.

(QR) Recurring interest earned on accumulated retirement contributions shall be treated as income in the month it is reasonably anticipated to be received. If the interest payment is nonrecurring, it shall be treated as property (see Section 42-209.2(QR)).

.7 Death Benefits

Net Income from death benefits is the amount remaining after deducting the actual expenses of the funeral, cremation, or burial of the insured. Such expenses must be verified by the recipient with acceptable evidence.



<b>44-113</b>	<b>NET INCOME (Continued)</b>	<b>44-113</b>
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.8 Income from Payments Which Include Compensation for Converted Property (see Section 44-105)

Section 44-113.8(MR) shall become inoperative and Section 44-113.8(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) That portion of a payment defined in Section 44-105.3 which exceeds the value of the converted property is income. (See Section 44-207.4.)

(QR) That portion of a payment defined in Section 44-105.3 which exceeds the value of the converted property and is recurring in nature is income. If that portion of the payment that is to be received is nonrecurring it shall be treated as property (see Section 42-209.2(QR)).

Net income is that income which remains after deducting the following expenses if the recipient shows the expenses were paid by the recipient while he was a recipient and were directly related to the receipt of the payment.

.81 Attorney's fees

.82 Litigation expenses

.83 Medical expenses

.84 Other necessary and required expenses.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10063 (Ch. 270, Stats. 1997), 10553, 10554, 10790, 10791, 11008, 11008.19, 11155.3 (Ch. 270, Stats. 1997), 11157 (Ch. 270, Stats. 1997), 11265.1, 11265.2, 11265.3, 11450.5, 11450.12 (Ch. 270, Stats. 1997), and 11451.5 (Ch. 270, Stats. 1997), Welfare and Institutions Code; 45 CFR 233.10; 45 CFR 233.20(a)(3)(ii)(C); 45 CFR 233.20(a)(3)(vi)(A); 45 CFR 233.20(a)(6)(v)(B); 45 CFR 255.3; 45 CFR 233.20(a)(3)(iv)(B); 45 CFR 233.20(a)(3)(xxi); 45 CFR 233.20(a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p); Darces v. Woods (1984) 35 Cal. 3d 871; and Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995.

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When a need item is earned or contributed in kind, the income value placed upon such earnings, contributions, etc., is the amount specified below.

.1 Free Board and Lodging Received During Temporary Absence from Home

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.11 Absence One Month or Less

Section 44-115.11(MR) shall become inoperative and Section 44-115.11(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The value of free board and lodging received by a recipient during a temporary absence from his home of not more than one calendar month shall be exempt.

(QR) The value of free board and lodging reasonably anticipated to be received by a recipient during a temporary absence from his/her home of not more than one calendar month shall be exempt.

.12 Absence Exceeds One Month

Section 44-115.12(MR) shall become inoperative and Section 44-115.12(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) After an absence of one month, free board and lodging, i.e., food, shelter and utilities, shall be considered income but only to the extent that continuing allowances in the grant for these items exceed the cost to the recipient of maintaining the home to which he/she expects to return. (W&IC 11009.1.)

(QR) After an absence of one month, free board and lodging, i.e., food, shelter and utilities reasonably anticipated to be received during the QR Payment Quarter, shall be considered income, but only to the extent that continuing allowances in the grant for these items exceed the cost to the recipient of maintaining the home to which he/she expects to return. (Welfare and Institutions Code Section 11009.1.)

.2 Nonneedy Relatives

.21 Evaluation of Income In Kind from Nonneedy Relatives Other Than Natural or Adoptive Parents

Section 44-115.21(MR) shall become inoperative and Section 44-115.21(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Income in kind will only be considered if the nonneedy relative chooses to make a voluntary contribution to the FBU. The county shall determine if the nonneedy relative wishes to contribute income in kind to the support of the child(ren) in his/her care. If he/she does so, the amount of a contribution actually received shall be determined in accordance with Section 44-115.3, In-kind Income Values, and be considered net income to the FBU.

<b>44-115</b>	<b>EVALUATION OF INCOME IN-KIND (Continued)</b>	<b>44-115</b>
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(QR) Income in kind will only be considered if the nonneedy relative chooses to make a voluntary contribution to the AU. The county shall determine if the nonneedy relative wishes to contribute income in kind to the support of the child(ren) in his/her care. If he/she does so, the amount of a contribution reasonably anticipated to be received shall be determined in accordance with Section 44-115.3, In-kind Income Values, and be considered net income to the AU.

Natural or adoptive parent, stepparents of AFDC children whose natural parent is in the home, or any other adult whose needs are met through APSB, AFDC, EVH, SSI/SSP, IRAP or In-Home Care programs shall not be considered to be nonneedy relatives for purposes of this section and no income in kind may be considered.

**.3 In-Kind Income Values**

.31 Provided that a lower value is not established in accordance with .32 below, the in-kind income amounts effective July 1, 1981 for housing, utilities (including telephone), food and clothing, as adjusted for any increases or decreases in the cost of living specified in .311, and published by the DSS, shall apply for those item(s) of need received in-kind by the AU. If a lower value is established in accordance with .32 below, such value shall apply for the appropriate item(s) of need received in-kind by the AU.

.311 Individual in-kind income amounts shall be adjusted by the same percentage increase or decrease that is applied to the Minimum Basic Standard of Adequate Care (MBSAC) levels. Such adjustments to the in-kind income amounts shall be effective at the same time as adjustments to the MBSAC levels become effective.

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(a) INCOME IN-KIND AMOUNTS - REGION 1

Needs Considered # in AU	Housing	Utilities	Food	Clothing
1	191	40	105	33
2	255	45	225	62
3	279	48	287	93
4	293	51	356	124
5	293	51	430	156
6	293	51	497	186
7	293	51	554	220
8	293	51	607	245
9	293	51	667	281
10	293	51	720	309

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INCOME IN-KIND AMOUNTS - REGION 2

Needs Considered in AU	Housing	Utilities	Food	Clothing
1	182	40	105	33
2	242	45	225	62
3	265	48	287	93
4	279	51	356	124
5	279	51	430	156
6	279	51	497	186
7	279	51	554	220
8	279	51	607	245
9	279	51	667	281
10	279	51	720	309

(b) Repealed by Manual Letter No. EAS-99-08, effective 7/30/99.

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.32 Section 44-115.32(MR) shall become inoperative and Section 44-115.32(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If the applicant or recipient does not agree with the value arrived at in .31 above, he/she may submit evidence of the value of the item which he/she received in kind. For housing and clothing, the in-kind income shall be the net market value (see Section 42-203.7) of the item received. For utilities and food, the in-kind income value shall be the cost to the person who paid for the item.

If the applicant or recipient presents satisfactory evidence that the value of the item received in kind is other than the value specified in .31 above, such evidence shall be used by the county in determining the value of the item if it is to the recipient's financial advantage. Recipients who are having in-kind income deducted from their grants should be informed that this method of contesting the values established in .31 above exists.

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(QR) If the applicant or recipient does not agree with the value arrived at in Section 44-115.31, he/she may submit evidence of the value of the in-kind income item which he/she receives or reasonably anticipates receiving. For housing and clothing, the in-kind income shall be the net market value (see Section 42-203.7) of the item reasonably anticipated to be received. For utilities and food, the in-kind income value shall be the cost to the person who will pay for the item.

If the applicant or recipient presents satisfactory evidence that the value of the item reasonably anticipated to be received in kind is other than the value specified in Section 44-115.31, such evidence shall be used by the county in determining the value of the item if it is to the recipient's financial advantage. Recipients who are having in-kind income deducted from their grants should be informed that this method of contesting the values established in Section 44-115.31 exists.

.33 If an applicant or recipient presents satisfactory evidence of the value of a need item shared with persons who are not members of the AU or whose needs are not considered in the AU, the in-kind value attributable to the AU shall be the lesser of:

.331 their pro rata share, for persons whose needs are considered in the AU, of the net market value or cost of the item, or

.332 the in-kind income table value established in accordance with Section 44-115.311 for the appropriate number of persons whose needs are considered in the AU.

.333 Example: If an AU of three whose needs are all considered shares free housing with another person, making a household of four, and the applicant or recipient presents satisfactory evidence that the net market value of the housing is \$120, the in-kind value of the housing to the AU would be \$90. If the net market value of the housing is \$375, in this example, then the AU's pro rata share of this amount would be \$281 -- however, if the in-kind income table value for housing was \$251\*, the \$251\* value would be used because the table values established in accordance with .311 represent the maximum in-kind income value that may be applied.

\* The amount \$251 is subject to change. Use the currently applicable amount established in accordance with 44-115.311.

NOTE: Authority cited: Sections 10553, 10554, 11450, 11452.018, and 11453, Welfare and Institutions Code. Reference: Sections 11265.8, 11253.5, 11265.2, 11450, 11450.015, 11450.4(c), 11450.5, 11452, 11452.018, 11453, and 11486, Welfare and Institutions Code; and Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992.

44-133	TREATMENT OF INCOME -- CALWORKS	44-133
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- .1 All net income of persons included in the Assistance Unit is income to the Assistance Unit.
- .2 Income in Cases in Which the Assistance Unit Resides in the Same Household as an SSI/ SSP or Cash Assistance Program for Immigrants (CAPI) Recipient
- .21 The aid payment and income of an SSI/ SSP or CAPI recipient shall not be included in the Assistance Unit's income and grant computation.
- .22 Lump sum retroactive SSI/ SSP or CAPI payments received by a recipient are not countable income to the Assistance Unit.
- .23 Payments for goods or services by an SSI/ SSP or CAPI recipient to a CalWORKs cash aid recipient are income to the Assistance Unit.
- .24 Income derived from an interest in the community or joint property of an SSI/ SSP or CAPI recipient and a CalWORKs cash aid recipient is prorated between owners and the CalWORKs cash aid recipient's share is countable income to the Assistance Unit.
- .25 Actual voluntary contributions made by an SSI/ SSP or CAPI recipient to a cash aid recipient are income to the Assistance Unit. This does not include pooled income to meet shared living expenses, or payments for living expenses made in lieu of other payments in a shared living arrangement. However, no contribution will be required of the SSI/ SSP or CAPI recipient.
- .26 If a CalWORKs cash aid applicant is determined to be eligible for cash aid and is included in the assistance unit, income of the cash aid applicant (including income considered available from a stepparent under provisions of Section 44-133.511 or a senior parent under provisions of Section 89-201.5) that may have been used in computing an SSI/ SSP or CAPI grant for another person will be included in the CalWORKs grant computation. The county shall notify the Social Security Administration or the appropriate CAPI worker as to the effective date that the income is used in the CalWORKs grant computation so that such income may be deleted from the SSI/SSP or CAPI grant computation.
- .27 The county shall notify the Social Security Administration of the effective date that a CalWORKs cash aid recipient and any of his/her income is deleted from the Assistance Unit because of receipt of SSI/SSP, if the recipient has income which was used in the CalWORKs grant computation. This is necessary so that the Social Security Administration may begin to consider the income. No retroactive adjustment of the CalWORKs grant shall be made because of receipt of SSI/SSP if the grant was correctly computed during the period the SSI/SSP application was pending.

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(Continued)

| .3 Income of Children in Foster Care and Kin-GAP

| All net income received by or on behalf of children in foster care or Kin-GAP shall be considered income to the child.

.4 Income in Cases in Which a Parent or Child Has Been Sanctioned or Penalized

.41 Income of persons living in the home, who are required to be in the AU but who have been sanctioned or penalized is available to the AU. The needs of these individuals are not considered except for persons in an AU that are being penalized for failure to cooperate with child support. Actions which are subject to sanction or which constitute a failure to cooperate include, but are not limited to, any one of the following:

.411 Failing or refusing, without cause, to comply with welfare-to-work requirements;

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(See Section 42-721 for Welfare-to-Work Requirements)

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.412 Refusing to furnish or cooperate in securing a social security number for himself/herself;

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(see Section 40-105.2)

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.413 Refusing to assign rights to child and spousal support payments;

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(See Section 82-510)

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.414 Refusing to take actions necessary to obtain unconditionally available income.

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(See Section 82-610)

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- .415 Refusing or failing to attend school regularly or cooperate in verifying school attendance.

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(See Section 42-101.5)

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- .416 Refusing or failing to submit verification of immunization for AU children under age 6.

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(See Section 40-105(j))

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- .417 Committing an Intentional Program Violation (IPV)

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(See Section 20-351)

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.5 Income and Needs in Cases in Which a Person is Excluded

- .51 The income of a parent is considered when that parent is living in the home but is excluded from the AU. A parent's needs shall only be considered if he/she has income unless the parent is an ineligible alien parent as specified in Section 44-133.521. This section does not apply to parents excluded for the following reasons: a) a sanction; b) being a recipient of another aid program; or c) being a member of a different AU. See MPP Section 44-133.8 for treatment of income and needs of timed-out adults. Parents whose needs and income are considered include, but are not limited to:

- .511 A stepparent who is the spouse of the applicant and/or recipient child's parent when the child's parent is residing in the home and the stepparent is not the parent of any natural or adoptive children who are required to be included in the AU.



Regulations	STANDARDS OF ASSISTANCE INCOME	44-133 (Cont.)
<b>44-133</b>	<b>TREATMENT OF INCOME -- CALWORKS (Continued)</b>	<b>44-133</b>
	.512 Natural or adoptive parents who are excluded by law.	
	.513 Senior parents excluded from the minor parents' AU.	
	.514 Fathers of unborn children in Pregnant Women Only cases.	
	.515 Spouses of aided children in their parents' AU when the spouse does not have a child in the AU.	
	.52 The needs of the following persons shall be considered in the family MAP (recipient cases) or MBSAC (applicant cases). The family MAP/MBSAC shall include:	
	.521 The needs of the following ineligible aliens who are related to the AU and who, but for their alien status, would be eligible for aid:	
	(a) An ineligible alien spouse of an AU member.	
	(b) An ineligible alien parent of a child in the AU.	
	(c) An ineligible alien parent of an ineligible alien child in common who is deprived of parental support and care.	
	(d) An ineligible alien child of an AU member.	
	(e) An ineligible alien child who is the sibling or half sibling to a child in the AU, and	
	.522 The needs of AU members other than those specified at Section 44-133.4, and	
	.523 The needs of the persons excluded from the AU, specified at Section 44-133.51, whose income is being considered, and	
	.524 The needs of any excluded children of the persons identified in Sections 44-133.51 and .521 whose income is being considered, or other dependents living in the home who could be claimed by the person for tax purposes, and	
	.525 The needs of any excluded spouse of the persons identified in Sections 44-133.51 and .521 whose income is being considered.	
	.53 The income of excluded children not required to be in the AU is excluded unless the needs of that child are considered as specified in Section 44-133.521. (See student exemption disregard at Section 44-111.22 for earnings of a child.)	

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- .54 The following examples are provided to illustrate how to determine financial eligibility for the family in accordance with Sections 44-207.1 and .2 and the aid payment computation in accordance with Section 44-315.

Example 1: Family with No Ineligible Alien Members

Applicant applies on behalf of herself and her two dependent children. Also living in the home is a stepparent and his separate child. Stepparent earns \$1000 per month from full-time employment. Mother receives \$300 per month in State Disability Insurance benefits. No other income is received by family members. The AU resides in Region 1 and is eligible for Exempt MAP.

Applicant Eligibility Determination:

\$1000	Earned Income
<u>- 90</u>	\$90 Earned Income Disregard
\$ 910	Net Nonexempt Earned Income
<u>+\$300</u>	Disability-Based Income (Not subject to \$225 Disregard at application)
\$1210	Total Net Nonexempt Income
\$1049	MBSAC for Five (Includes AU and Non-AU Family Members)

Family is ineligible for CalWORKs (Net Nonexempt Income exceeds the MBSAC for Five).

Handbook Section 44-133.54(MR), Examples 2 and 3, shall become inoperative and Handbook Section 44-133.54(QR), Examples 2, 3, and 4 shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 2: Family with Ineligible Alien Members and Stepparent with No Income

Mother of two children has earnings of \$600 per month. One of the children is her citizen child and the other is her ineligible alien child with deprivation. Mother receives direct child support in the amount of \$85 per month for the ineligible alien child. Also in the home is the ineligible alien spouse of the mother. The spouse does not have any income. The family lives in Region 1 and does not have exempt status.

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Applicant Eligibility Determination

\$ 600	Earned Income of Mother
<u>- 90</u>	Applicant Earned Income Disregard
\$ 510	Subtotal
<u>+ 85</u>	Unearned Income of Ineligible Alien Child
\$ 595	Total Net Nonexempt Income
\$ 595	Less than the \$920 Region 1 Nonexempt Family MBSAC for Four. (Family passes Applicant Test.)

Recipient Financial Eligibility Test

\$ 600	Earned Income of Mother
<u>- 225</u>	Income Disregard
\$ 375	Subtotal
<u>- 187.50</u>	50% Earned Income Disregard
\$ 187	Net Nonexempt Earned Income
<u>+ 85</u>	Unearned Income of Ineligible Alien Child
\$ 272	Total Net Nonexempt Income (Rounded Down)
\$ 272	Less than \$728 Region 1, Nonexempt Family MAP for Four. (Family passes Financial Eligibility Test.)

Grant Computation

\$ 728	Region 1, Nonexempt Family MAP for Four
<u>- 272</u>	Total Net Nonexempt Income
\$ 456	Potential Grant
\$ 493	MAP for AU of Two (Includes Mother and Citizen Child)
\$ 456	Aid Payment is the Lesser of the Potential Grant or MAP for the AU.

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(QR) Example 2: Family with Ineligible Non-Citizen Members and Stepparent with No Income

Mother of two children has earnings of \$600 per month and the income is reasonably anticipated to continue at this amount for the QR Payment Quarter. One of the children is her citizen child and the other is her ineligible non-citizen child with deprivation. Mother receives direct child support in the amount of \$85 per month for the ineligible non-citizen child. Also in the home is the ineligible non-citizen spouse of the mother. The spouse does not have any income. The family lives in Region 1 and does not have exempt status.

Applicant Eligibility Determination

\$ 600	Actual Earned Income of Mother
- 90	Applicant Earned Income Disregard
\$ 510	Subtotal
+ 85	Unearned Income of Ineligible Non-Citizen Child
\$ 595	Total Net Nonexempt Income
\$ 595	Less than the \$1,008 Region 1 Nonexempt Family MBSAC for Four (family passes applicant test)

Recipient Financial Eligibility Test

\$ 600	Monthly Earned Income of Mother
- 225	Income Disregard
\$ 375	Subtotal
- 187.50	50% Earned Income Disregard
\$ 187	Net Nonexempt Earned Income
+ 85	Unearned Income of Ineligible Non-Citizen Child
\$ 272	Total Net Nonexempt Income (rounded down)
\$ 272	Less than \$839 Region 1, Nonexempt Family MAP for Four (family passes financial eligibility test)

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Grant Computation

\$ 839	Region 1, Nonexempt Family MAP for Four
<u>- 272</u>	Total Net Nonexempt Income
\$ 567	Potential Grant
\$ 568	MAP for AU of Two (includes mother and citizen child)
\$ 567	Aid Payment is the Lesser of the Potential Grant or MAP for the AU

(MR) Example 3: Family with Ineligible Alien Members and Stepparent with Income and Excluded Dependents

Recipient mother receives aid for herself and one child. The mother has \$600 gross earnings. Also living in the home is: 1) the ineligible alien spouse of the aided parent; 2) the aided mother's ineligible alien child in common with no deprivation; 3) the aided mother's citizen child in common who has no deprivation; and 4) a separate ineligible alien child of the spouse. The spouse has \$375 earned income. The family is nonexempt and lives in Region 1.

Eligibility/Grant Computation

Step 1	\$975	Family's Gross Earned Income
	<u>-225</u>	\$225 Income Disregard
	\$750	Subtotal
	<u>-375</u>	50% Earned Income Disregard
	\$375	Net Earned Income
	\$375	Total Family Net Nonexempt Income
Step 2	\$931	Family MAP for Six (All excluded dependents of the stepparent are included, regardless of deprivation since the stepparent's income is used.)
	<u>-375</u>	Total Family Net Nonexempt Income
	\$556	Potential Grant
Step 3	\$493	AU MAP for Two
	\$556	Potential Grant
	\$493	Aid Payment (Lesser of AU MAP or Potential Grant)

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(QR) Example 3: Family with Ineligible Non-citizen AU Members and Stepparent with Income and Excluded Dependents

Recipient mother receives aid for herself and one child. The mother has earnings of \$600 per month that is reasonably anticipated to continue at the same amount during the QR Payment Quarter. Also living in the home are: 1) the ineligible non-citizen spouse of the aided parent; 2) the aided mother's ineligible non-citizen child in common with no deprivation; 3) the aided mother's citizen child in common who has no deprivation; and 4) a separate ineligible non-citizen child of the spouse. The spouse has \$375 per month earned income that is reasonably anticipated to continue at the same level during the QR Payment Quarter. The family is nonexempt and lives in Region 1.

Eligibility/Grant Computation

Step 1	\$ 975	Family's Monthly Earned Income	
	<u>- 225</u>	\$225 Income Disregard	
	\$ 750	Subtotal	
	<u>- 375</u>	50% Earned Income Disregard	
	\$ 375	Net Earned Income	
	 \$ 375	Total Family Net Nonexempt Income	
Step 2	\$1,072	Family MAP for Six	(All excluded dependents of the stepparent are included, regardless of deprivation since the stepparent's income is used.)
	 <u>- 375</u>	Total Family Net Nonexempt Income	
	\$ 697	Potential Grant	
Step 3	\$568	AU MAP for Two	
	 \$697	Potential Grant	
	 \$568	Aid Payment (lesser of AU MAP or potential grant)	

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(QR) Example 4:

A mother and two children are in the April, May, June quarter. Mother submits the QR 7 due in June, which indicates that Mother will lose her job August 15. The AU anticipates in July she will receive \$300 for one pay period, and \$400 for the next pay period. She anticipates in August that she will receive a final check of \$200. She doesn't anticipate any income for September. The AU is nonexempt living in Region 1.

Monthly Income Computation

\$700	July Monthly Income
\$200	August Monthly Income
<u>\$ 0</u>	September Monthly Income
\$900	
\$300	\$900 Divided by Three (the number of months in the QR Payment Quarter)

Eligibility/Grant Computation

Step 1	\$300 <u>-225</u> \$ 75 <u>-37.5</u> \$ 37.5	Family's Monthly Average Earned Income \$225 Income Disregard Subtotal 50% Earned Income Disregard Net Earned Income
	\$ 37	Total Family Net Nonexempt Income (rounded)
Step 2	\$563 <u>- 37</u> \$526	Family MAP for Three Total Family Net Nonexempt Income Aid Payment

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**HANDBOOK ENDS HERE**

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- .55 When an excluded family member whose needs must be considered shares the same familial relationship with more than one AU and the members of the AUs live in the same home, the parents shall determine in which AU the needs of the non-AU family member shall be included.

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Example:

A mother with one child (AU #1) has an ineligible alien child in common with the unmarried father who receives aid for his separate child (AU #2). The ineligible alien child has deprivation. Mother has earned income and the father who is the principal earner is unemployed and receives UIB unearned income. The parents shall decide in which AU to include the ineligible alien common child's needs.

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- .6 Income of a Nonneedy Caretaker Relative Other than the Parent
  - .61 The amount by which a nonneedy relative, other than a parent with whom the child lives, is able and willing to meet the child's needs is income to the Assistance Unit.
- .7 Income in Cases Where a Noncitizen Has Been Sponsored for Entry into the United States
  - .71 When a noncitizen is sponsored by an individual as defined in Section 43-119.2 the income of his/her sponsor who is not receiving cash aid, SSI or other public cash assistance payments (such as General Assistance) and the income of the sponsor's spouse who lives with the sponsor and who is not receiving such public cash assistance payments shall be deemed to be the sponsored noncitizen's income. This income is determined as follows:
    - .711 Determine the total amount of unearned income of the sponsor and his/her spouse.
    - .712 Determine the total amount of income received by the sponsor and his/her spouse, such as wages or salary, or as net earnings from self-employment. See Section 44-113.212.
    - .713 If the sponsor is the sponsor of more than one noncitizen, divide the total gross income by the total number of sponsored noncitizens who are applying for or receiving cash aid. This amount shall be deemed to be the income of each applicant or recipient who is a sponsored noncitizen.
    - .714 When the sponsored noncitizen is not included in the AU (see Section 82-832), the portion of his/her income, which has been deemed from the sponsor, shall not be used in determining his/her contribution to the AU unless such income is actually available to the AU.



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- .715 When the sponsored noncitizen is a member of the AU, this deemed income from the sponsor shall be treated as unearned income in accordance with Sections 44-113 and 44-315.4.
- .716 If the sponsor is either an excluded parent or stepparent, his/her income shall be treated in accordance with the excluded parent or stepparent deeming computation. See Sections 44-133.3 and 44-133.63.
- .72 Repealed by CDSS Manual Letter No. EAS-01-09, effective 10/10/01.
- .8 Income and Needs of Timed-Out Adults.
- Income and needs of adults living in the home who have been removed from the AU due to exceeding the 60-month CalWORKs time limits shall be treated as follows:
- .81 Parents otherwise required to be in the AU. Net non-exempt income of timed-out parents who are otherwise required to be in the AU and living in the home shall be considered available to the AU. The needs of these parents shall not be considered when calculating the grant for the aided AU members.
- .82 Non-parent caretaker relatives. Timed-out non-parent caretaker relatives living in the home are no longer eligible to be optional AU members, and their income and needs shall not be considered when calculating the grant for the aided AU members.
- .83 Stepparents not required to be in the AU. Timed-out stepparents not required to be in the AU and living in the home are no longer eligible to be optional AU members, and their net non-exempt income and needs shall be treated in accordance with the provisions of MPP Sections 44-133.51 and 44-133.511.
- .84 See MPP Sections 42-301 and 82.833.1 for regulations regarding timed-out adults. For timed-out adults whose income must be considered in the AU's grant computation, net nonexempt income shall be determined as specified at MPP Section 44-113.2.

NOTE: Authority cited: Sections 10553, 10554, 10604, and 11369, Welfare and Institutions Code. Reference: Sections 10063, 10553, 10554, 10604, 11008.14, 11254, 11320.15, 11450, 11452, 11453, 11486, 18937, 18940, and 11371, Welfare and Institutions Code; 45 CFR 205.50(a)(1)(i)(A); 45 CFR 233.20(a)(1)(i); 45 CFR 233.20(a)(3)(ii)(C), (a)(3)(vi)(B), (a)(3)(xiv), (a)(3)(xiv)(B), and (xviii); 45 CFR 233.50(A)(c); and 45 CFR 233.90(c)(2)(i); Family Support Administration Action Transmittal 91-15 (FSA-AT-91-15), dated April 23, 1991; and Omnibus Budget Reconciliation Act (OBRA) of 1990; U.S. Department of Health and Human Services Federal Action Transmittal No. FSA-AT-91-4 dated February 25, 1991; Simpson v. Hegstrom, 873 F.2d 1294 (1989); Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995; and Federal Register, Vol. 58, No. 182, pages 49218 - 20, dated September 22, 1993; 8 U.S.C. 1631; and 42 U.S.C. 602(a)(39).

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AU COMPOSITION AND NEED**

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**44-200 RELOCATION OF ASSISTANCE UNIT REGULATIONS 44-200**

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.1 The AU regulations have been relocated as follows:

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44-203.2	CARETAKER RELATIVES	
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NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553 and 10554, Welfare and Institutions Code.

<b>44-201</b>	<b>CHAPTER CONTENTS</b>	<b>44-201</b>
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Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

<b>44-203</b>	<b>PERSONS WHO MAY BE INCLUDED IN THE FBU - DEFINITIONS</b>	<b>44-203</b>
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Renumbered by Manual Letter No. EAS-91-14, effective 10/1/91.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 45 CFR 233.90(c)(2)(i) and Sections 10553, 10554, and 10604, Welfare and Institutions Code.

44-205	ESTABLISHING THE AU	44-205
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| .1 Aid Based on Pregnancy

| .11 When the unaided father of the unborn is living in the home with a pregnant woman who is in an AU of one without an eligible child, the father is an excluded parent and his income is treated in accordance with Section 44-133.3.

| .12 The application for aid based on pregnancy and/or the application for the pregnancy special need is considered an application for the "family". In addition to the pregnant woman, the family includes the following:

| .121 The unborn, when born and living with the mother.

| (a) Section 44-205.121(a)(MR) shall become inoperative and Section 44-205.121(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

| (MR) The otherwise eligible newborn shall be added to the assistance unit effective the date the newborn joins the assistance unit and meets the conditions of eligibility.

| (QR) The otherwise eligible newborn shall be added to the assistance unit effective the first of the month following the month in which the birth was reported if it results in an increase in cash aid and all conditions of eligibility have been met and verification has been provided.

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| Handbook Section 44-205.121(a)(MR) shall become inoperative and Handbook Section 44-205.121(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

| (MR) In most cases the effective date of including the needs of the newborn will be the date of birth.

| (QR) In most cases, the effective date of including the needs of the newborn will be the first of the month following the month in which the birth was reported.

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<b>44-205</b>	<b>ESTABLISHING THE AU (Continued)</b>	<b>44-205</b>
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|--|------|---|
|  | .122 | The father of the unborn when he is in the home at the time application is made and through the month of birth. See Section 82-832.13.  |
|  | (a)  | Section 44-205.122(a)(MR) shall become inoperative and Section 44-205.122(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.   |
|  | (MR) | The unaided father shall be added to the assistance unit effective the date the father meets all eligibility requirements, on or after the date the child is born.  |
|  | (QR) | The unaided father shall be added to the AU effective the first of the month following the month in which the birth was reported if adding him results in an increase to cash aid and all conditions of eligibility have been met and verification has been provided. |
|  | .2   | Renumbered by Manual Letter No. EAS-91-14, effective 10/1/91.   |
|  | .3   | Renumbered by Manual Letter No. EAS-91-14, effective 10/1/91.   |
|  | .4   | Renumbered by Manual Letter No. EAS-91-14, effective 10/1/91.   |
|  | .5   | Renumbered by Manual Letter No. EAS-91-14, effective 10/1/91.   |
|  | .6   | Renumbered by Manual Letter No. EAS-04-07, effective 7/1/04.  |

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<b>44-205</b>	<b>ESTABLISHING THE AU (Continued)</b>	<b>44-205</b>
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.7 Section 44-205.7(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Separate FBU

(MR) .71 A separate FBU for an otherwise eligible person(s) whose needs were not considered in the lump-sum computation may be established when the existing FBU is in the period of ineligibility resulting from receipt of lump-sum income.

.72 Repealed by DSS Manual Letter No. EAS-88-05, effective 5/28/88.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 42 USC 602(a)(19)(G)(i)(I); 54 FR 42172 (October 13, 1989); 45 CFR 206.10(a)(1)(vii) and 250.34(c)(3); Federal Action Transmittal SSA-AT-86-01, Sections 10553, 10554, 10604, 11265.1, 11265.2, 11265.3, 11327.5(c)(3), 11450(b) and 11450.5, Welfare and Institutions Code; and Simon v. McMahan, Stipulation for Dismissal and Order, April 21, 1989, Contra Costa Superior Court, No. 272468.

<b>44-206</b>	<b>PERSONS WHO MUST BE EXCLUDED FROM THE ASSISTANCE UNIT (AU)</b>	<b>44-206</b>
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.1 The following persons shall be excluded from the assistance unit:

(a) A person who is being sanctioned for any of the following reasons:

- (1) A parent, pregnant woman, or needy caretaker relative who refuses to apply for or accept unconditionally available income. (Section 44-103.22).
- (b) Any member of a federally eligible AU, other than the caretaker relative who is the natural or adoptive parent, who is participating in a strike, as defined in Section 41-703.22, on the last day of the month, shall be ineligible in that month. The person remains ineligible for any subsequent month(s) in which the county can reasonably estimate that such person's participation in the strike will continue through the last day of the month. If aid to such person is discontinued, reduced, or denied because the county estimated that he or she would be participating in a strike on the last day of the month and the applicant or recipient later reports that such person's participation in the strike ceased before the last day of the month, the county shall rescind the discontinuance, reduction, or denial and issue the correct grant.

<b>44-206</b>	<b>PERSONS WHO MUST BE EXCLUDED FROM THE ASSISTANCE UNIT (AU) (Continued)</b>	<b>44-206</b>
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.2 The entire family is ineligible for aid payments when:

- .21 A federally eligible caretaker relative who is the natural or adoptive parent living in the home of the aided child is participating in a strike as defined in Section 41-703.22, on the last day of the month. The AU remains ineligible for any subsequent month(s) in which the county can reasonably estimate that participation in the strike will continue through the last day of the month. If aid is discontinued, reduced, or denied because the county estimated that the caretaker relative parent would be participating in a strike through the last day of the month and the applicant or recipient later reports that participating in the strike ceased before the last day of the month, the county shall rescind the discontinuance, reduction, or denial and issue the correct grant.
- .211 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.
- .212 An applicant or recipient will be considered to be participating in a strike if he or she has voluntarily stopped or slowed down work or otherwise interrupted the business activities of the employer as part of a concerted activity described in .211 above. When the applicant or recipient has been denied Unemployment Insurance Benefits because he or she has voluntarily left work due to a trade dispute, that person will be considered to be participating in a strike, except as specified in .213 below.
- .213 Stoppage or slowdown of work by employees in good faith shall not be considered a strike or participation in a strike when a lockout has occurred or when the action was necessitated by an imminent health and safety hazard or abnormally dangerous working conditions at the place of employment as determined by Division of Occupational Safety and Health.

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- .214 The entire family that is ineligible for aid under Section 44-206.21, may be eligible for benefits under the State-only AFDC-U Programs (see Section 41-703).

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- .22 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.
- .23 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.
- .24 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.
- .25 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

<b>44-206</b>	<b>PERSONS WHO MUST BE EXCLUDED FROM THE ASSISTANCE UNIT (AU) (Continued)</b>	<b>44-206</b>
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NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 42 USC 602(a)(19)(G)(i)(I) and (II); Section 202(a), Public Law 100-485; 45 CFR 244.0(c) and 250.34(c)(1) and (2); and Sections 10553, 10554, 10604, 11157 (Ch. 270, Stats. 1997), and 11327.5(c)(1), Welfare and Institutions Code.

<b>44-207</b>	<b>INCOME ELIGIBILITY</b>	<b>44-207</b>
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- .1 The following financial eligibility test shall be applied to applicant cases.
- .11 An applicant family shall not be eligible for cash aid unless the family's income, exclusive of the first ninety dollars (\$90) of earned income for each employed person, is less than the Minimum Basic Standard of Adequate Care (MBSAC) for the family.

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Example: Applicant applies for assistance for herself and her one dependent child. The mother (applicant) works part-time for \$600 per month. The family is nonexempt and lives in Region 2.

Applicant Eligibility Determination

\$ 600	Earned Income
- 90	\$90 Earned Income Disregard
\$ 510	Total Net Nonexempt Income
\$ 594	MBSAC for two
	Family passes the MBSAC test (MBSAC is greater than Net Nonexempt Income)

See Section 44-207.2 for second step in the financial eligibility test for applicants.

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- .111 The MBSAC is the amount of money which is necessary to provide a family with the following:
- a. Housing.

<b>44-207</b>	<b>INCOME ELIGIBILITY (Continued)</b>	<b>44-207</b>
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- b. Clothing.
- c. Food.
- d. Utilities.
- e. Items for household operation, education and incidentals, recreation, personal needs, and insurance.
- f. Essential medical, dental, or other remedial care not otherwise provided at public expense.

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.112 The MBSAC for the family applies in determining financial eligibility for applicants, the value of in-kind income for the AU, the amount of income from a sponsor available to a sponsored alien, the period of ineligibility for non-qualifying withdrawals from restricted accounts and transfer of assets. The MBSAC amounts are set forth in Welfare and Institutions Code Section 11452.

- (a) See Section 44-315.311 for the current MBSAC amounts.

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.12 When estimating income for eligibility, all relevant information available to the county and the recipient shall be taken into consideration. See Section 44-113.21 for computations.

.2 The following financial eligibility test shall be applied to both applicant and recipient cases.

.21 Section 44-207.21(MR) shall become inoperative and Section 44-207.21(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) The AU is financially eligible for any month in which on the first of the month the combined actual or estimated net nonexempt income, after the income and needs of the family are considered (pursuant to Sections 44-133 and 44-315.3), is less than the Maximum Aid Payment (MAP) for the AU.



<b>44-207</b>	<b>INCOME ELIGIBILITY (Continued)</b>	<b>44-207</b>
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(QR) The AU is financially eligible as follows:

(QR) .211 An AU is financially eligible for the QR Payment Quarter if the family's combined reasonably anticipated monthly net non-exempt income for the quarter, after the income and needs of the family are considered (pursuant to Sections 44-133(QR) and 44-315.3(QR)), is less than the MAP for the AU.

(QR) .212 A recipient AU will remain financially eligible during the QR Payment Quarter if the family's combined monthly net non-exempt income does not exceed the family's MAP level for more than one month of the QR Payment Quarter in accordance with Section 44-316.324(QR).

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Example:

Recipient receives aid for herself and her four children. Also living in the home is the recipient's spouse (unaided stepparent). Stepparent earns \$1612 per month from full-time employment. Mother receives \$300 per month in State Disability Insurance benefits. No other income is received by family members. The AU is exempt and resides in Region 2.

Eligibility/Grant Computation:

\$ 300	Disability-Based Unearned Income
- 225	\$225 Income Disregard
\$ 75	Net Nonexempt Disability-Based Unearned Income
\$1612	Gross Family Earned Income
- 806	50% Earned Income Disregard
\$ 806	Net Nonexempt Earnings
+ 75	Disability-Based Unearned Income
\$ 881	Total Net Nonexempt Income
\$ 989	MAP for Six
- 881	Total Net Nonexempt Income
\$ 108	Potential Grant
\$ 880	MAP for AU of Five
\$ 108	Potential Grant
\$ 108	Aid Payment (Lower of Potential Grant and MAP for AU)

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<b>44-207</b>	<b>INCOME ELIGIBILITY (Continued)</b>	<b>44-207</b>
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.22 Net Nonexempt Income

.221 Net Nonexempt Income is gross income for the AU and other family members (if applicable), minus all applicable income exemptions (listed in Section 44-111) and income disregards (listed in Section 44-113).

(a) Gross income includes: 1) earnings by part-time student applicants; and 2) current child support payments collected by the county, but does not include child support payments collected by the county for a child subject to MFG (see Section 44-314.6).

.23 Section 44-207.23(MR) shall become inoperative and Section 44-207.23(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Financial eligibility shall be determined on the basis of actual net nonexempt income or a reasonable estimate of net nonexempt income expected to be received during the month. Such an estimate must be based on all relevant information available to the county and the recipient. To determine financial eligibility in a retrospectively budgeted month, estimated income shall not include the anticipated receipt of a regular and periodic extra paycheck. An Assistance Unit which received aid for a month based on a reasonable estimate of net nonexempt income shall not later be considered financially ineligible if actual net nonexempt income exceeds the estimate.

(QR) Once financial eligibility is established for the QR Payment Quarter, financial eligibility continues for the AU for the entire QR Payment Quarter unless the family's income exceeds the IRT (see Section 44-316.324(QR)) and the family's reasonably anticipated monthly income for the remainder of the QR Payment Quarter exceeds the MAP for the AU.

.24 Section 44-207.24(MR) shall become inoperative and Section 44-207.24(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If aid is discontinued because estimated net nonexempt income is expected to result in financial ineligibility and this amount of income is not actually received, the county shall rescind the discontinuance and issue the correct grant.

(QR) If aid is discontinued because the monthly reasonably anticipated income is expected to result in financial ineligibility for the QR Payment Quarter and the AU reports that the monthly reasonably anticipated income will no longer exceed the MAP amount for the AU prior to the effective date of the discontinuance, the county shall rescind the discontinuance if the county determines the updated report is a reasonable estimate.

<b>44-207</b>	<b>INCOME ELIGIBILITY (Continued)</b>	<b>44-207</b>
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.25 Adding Persons to the Assistance Unit

When adding persons to an existing AU, the AU is subject to the recipient financial eligibility test.

.3 Section 44-207.3(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Treatment of Lump Sum Income

(MR) This section sets forth the methods used for treating lump sum income.

(MR) .31 Lump sum income received by any person whose income would be used in computing eligibility and grant shall be regarded as income in the month received and then regarded as property in subsequent months. (See Section 42-211.)

NOTE: Authority cited: Sections 10553, 10554, 11450, and 11453, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11017, 11157 (Ch. 270, Stats. 1997), 11255, 11265.1, 11265.2, 11265.3, 11280, 11450.5, 11450.12 (Ch. 270, Stats. 1997), 11450.13 (Ch. 270, Stats. 1997), and 11451.5 (Ch. 270, Stats. 1997), Welfare and Institutions Code; 45 CFR 206.10(a)(1)(vii); 45 CFR 233.20(a)(2)(i) and (xiii); (a)(3)(ii)(F), (a)(3)(vi)(B), (a)(3)(xiv), and (a)(3)(xiv)(B); and Darces v. Woods (1984) 35 Cal. 3d 871; Petrin v. Carlson Court Order, Case No. 638381, May 12, 1993; Rutan v. McMahon, Case No. 612542-L (Alameda Superior Court) February 19, 1988; Letter from Department of Health and Human Services (DHSS), December 5, 1990; Johnson v. Carlson Stipulated Judgement; Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995; Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992; Federal Terms and Conditions for the California Work Pays Demonstration Project as approved by the United States Department of Health and Human Services on March 9, 1994; United States Department of Health and Human Services, Office of Family Assistance, Aid to Families with Dependent Children Action Transmittal No. ACF-AT-95-10 dated September 19, 1995; and Letters from the Department of Health and Human Services, Administration for Children and Families, dated February 29, 1996, March 11, 1996, and March 12, 1996.

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<b>44-209</b>	<b>IDENTIFICATION OF PERSONS FOR THE CLAIMING OF FINANCIAL PARTICIPATION</b>	<b>44-209</b>
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.1 General

If an FBU is determined to be financially eligible and an aid payment is to be issued, it is necessary to determine whether federal financial participation is available for each person in the FBU. For purposes of determining federal financial participation, AFDC recipients shall be categorized into two groups:

- a. Federally eligible persons and
- b. Essential persons.

What follows is a description of the categories of persons who shall be included in each group.

.2 Federally Eligible Persons

.21 Children

- .211 All children who are deprived of parental support and care due to the death (Section 41-420), incapacity (Section 41-430), or continued absence (Section 41-450) of a parent.
- .212 All children who are deprived of parental support and care due to the unemployment of a parent who meets federal eligibility conditions as specified in Section 41-440.4.

.22 Adults

- .221 The caretaker relative of any federally eligible child under .21 above, or of a child who is receiving SSI/SSP who would otherwise meet the conditions of .21 above.
- .222 The second parent of a federally eligible child under .21 above, or of a child who is receiving SSI/SSP who would otherwise meet the conditions of .21 above, when the deprivation of at least one child is the incapacity or unemployment of a parent who meets federal eligibility conditions as specified in Section 41-440.4.
- .223 The spouse of an incapacitated caretaker relative when the caretaker relative is a parent of a federally eligible child under .21 above, or of a child who is receiving SSI/SSP who would otherwise meet the conditions of .21 above.

.23 A pregnant woman:

<b>44-209</b>	<b>IDENTIFICATION OF PERSONS FOR THE CLAIMING OF FINANCIAL PARTICIPATION (Continued)</b>	<b>44-209</b>
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- .231 who has no federally eligible children; and
  - .232 who has provided the county with medical verification of her pregnancy (see Sections 82-836 and 88-410); and
  - .233 whose child, if born, and living with the mother would have been federally eligible for AFDC in the month of payment; and either
  - .234 who is under the age of 19 and has not obtained a high school diploma or its equivalent; or
  - .235 whose pregnancy has reached the three-month period immediately before the month of anticipated birth. If the child is born prior to the originally estimated date of birth, the anticipated month of birth is changed to the month in which birth occurred and Federal Financial Participation is retroactively available for the three-month period prior to the month of birth.
- .3 Essential Persons
- .31 An essential person is a stepparent or ASP who is not an otherwise federally eligible person under .2 and who:
    - .311 Is related to a child determined to be federally eligible under .21, or
    - .312 Is related to a child who is either receiving SSI/SSP or sanctioned by GAIN who would otherwise be federally eligible under .21.
  - .32 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.
- .4 Repealed by Manual Letter No. EAS-96-07, effective 9/1/96.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 45 CFR 233.20(a)(2)(vii), FSA-AT-91-1 dated January 1, 1991; and Sections 10553, 10554, 10604, 11203, and 11450(b), Welfare and Institutions Code.

<b>44-211</b>	<b>SPECIAL NEEDS IN CALWORKS</b>	<b>44-211</b>
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.1 General

.11 Section 44-211.11(MR) shall become inoperative and Section 44-211.11(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A special need is a need not common to a majority of recipients for certain goods or services which are essential for their support. The county is responsible for assisting the applicant or recipient in identifying any special needs which he/she may have. In order to meet this responsibility, the county shall give the applicant or recipient a clear explanation of the types of special need allowances which are available, and of the procedure for securing payment for those needs.

(QR) A special need is a need not common to a majority of recipients for certain goods or services which are essential for their support. The county is responsible for assisting the applicant or recipient in identifying any special needs which he/she may have. In order to meet this responsibility, the county shall give the applicant or recipient a clear explanation of the types of special need allowances which are available, and of the procedure for securing payment for those needs. See Section 44-316.314(QR).

.12 Repealed by Manual Letter 83-27, 5/5/83.

.13 Before a payment is made which includes a special need allowance, evidence is required to establish:

.131 That the conditions set forth below under which the need may be allowed are met,

.132 the total cost of the need and the payment plan,

.133 the proportion of the cost which should be borne by the recipient if the need is shared by others in the household,

.134 the period over which the need will continue.

**44-211 SPECIAL NEEDS IN CALWORKS (Continued)****44-211****.2 Recurring Special Needs**

Section 44-211.2(MR) shall become inoperative and Section 44-211.2(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A recurring special need is a special need for one of the items set forth below which results in added cost to the family and which is expected to occur during two or more months in a calendar year.

(MR) The allowance for a recurring special need cannot exceed the actual increase in costs to the family as a result of the special need. Actual costs must be verified monthly on the CA 7 except that if special need allowance guidelines established below are utilized, the county may authorize payment at the rate indicated without verification of actual cost. However, the special need must be resubstantiated at least annually upon redetermination of eligibility and may be required more often considering the type of need and potential for change.

(MR) The total allowance which is available for each FBU per month for all recurring special needs shall not exceed the amount resulting from multiplying \$10 by the number of persons in the FBU.

(QR) A recurring special need is a special need for one of the items set forth below which results in added cost to the family and which is expected to occur during two or more months in a calendar year.

(QR) The allowance for a recurring special need cannot exceed the actual increase in costs to the family as a result of the special need. Actual costs must be verified quarterly on the QR 7 except that if special need allowance guidelines established below are utilized, the county may authorize payment at the rate indicated without verification of actual cost. However, the special need must be resubstantiated at least annually upon redetermination of eligibility and may be required more often considering the type of need and potential for change.

(QR) The total allowance which is available for each AU per month for all recurring special needs shall not exceed the amount resulting from multiplying \$10 by the number of persons in the AU.



<b>44-211</b>	<b>SPECIAL NEEDS IN CALWORKS (Continued)</b>	<b>44-211</b>
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.21 Therapeutic Diets

.211 Special need for a therapeutic diet shall be authorized when recommended by a physician and therapeutic diets are not limited to those listed below, except that final determination of the need may be based upon consultation with the county medical consultant.

.212 The recipient is entitled to establish actual expenses related to the diet plan if it is to his or her benefit to do so. However, if the recommended diet plan includes one or a combination of the following diets, the county may pay the amount indicated for the highest cost diet without verification of actual costs:

\$15 for the following diets:

Diabetic, 2200 calories or more  
High Calorie -- High protein (including special formula for infant)  
Lactation (while breast feeding)

\$9 for the following diets:

Diabetic, under 2200 calories  
Bland  
Low Fat -- Cholesterol  
Low Salt (sodium, under three grams)

.22 Other Recurring Special Needs

A recipient is eligible for a special need allowance for the following recurring special needs when the county verifies that they occur for reasons not common to a majority of recipients and that they are essential for support. Determination of any allowance shall be consistent with the following guidelines and limitations:

.221 The actual cost of special transportation except that the allowance shall not exceed the actual cost of the least expensive mode of the transportation (including common carrier) reasonably available to the recipient. The county may compute the costs for a private automobile according to the number of miles traveled at the rate of \$0.12 a mile without further documentation by the recipient. Examples of special transportation needs are where the recipient must journey an unusual distance or travel daily to receive required medical treatments.

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**44-211 SPECIAL NEEDS IN CALWORKS (Continued)****44-211****.63 Eligible Applicants**

.631 Section 44-211.631(MR) shall become inoperative and Section 44-211.631(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A pregnant woman with no eligible children who has applied for CalWORKs, is in her third trimester, and is eligible to receive CalWORKs shall be entitled to receive the pregnancy special need payment from the date of application through the month of birth.

(QR) A pregnant woman with no eligible children who has applied for CalWORKs, is in her third trimester, and is eligible to receive CalWORKs shall be entitled to receive the pregnancy special need payment from the date of application through the end of the quarter in which the child is expected to be born once required verification has been provided. If the birth of the child is voluntarily reported mid-quarter, the pregnancy special need payment shall be discontinued at the end of the month prior to the month in which the newborn is added into the AU (see Sections 44-316.314(QR) and 44-318.15(QR)).

.632 Section 44-211.632(MR) shall become inoperative and Section 44-211.632(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A pregnant teen with no other eligible children in an AU of one who is under the age of 19, has not obtained a high school diploma or its equivalent and is otherwise eligible to receive CalWORKs, shall receive the pregnancy special need payment from the date of application through the month of birth.

(QR) A pregnant teen with no other eligible children in an AU of one who is under the age of 19, has not obtained a high school diploma or its equivalent and is otherwise eligible to receive CalWORKs, shall receive the pregnancy special need payment from the date of application through the end of the quarter in which the child is expected to be born once required verification has been provided. If the birth of the child is voluntarily reported mid-quarter, the pregnancy special need payment shall be discontinued at the end of the month prior to the month in which the newborn is added into the AU (see Section 44-316.314(QR)).

.633 Section 44-211.633(MR) shall become inoperative and Section 44-211.633(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

**44-211 SPECIAL NEEDS IN CALWORKS (Continued)****44-211**

(MR) A pregnant woman who has applied for CalWORKs as part of an assistance unit with other eligible persons or was the caretaker of a person in accordance with Section 82-820.22 and who is eligible shall be entitled to receive the pregnancy special need payment from the date of application through the month of birth.

(QR) A pregnant woman who has applied for CalWORKs as part of an AU with other eligible persons or was the caretaker of a person in accordance with Section 82-820.22 and who is eligible shall be entitled to receive the pregnancy special need payment from the date of application through the end of the quarter in which the child is expected to be born once required verification has been provided. If the birth of the child is voluntarily reported mid-quarter, the pregnancy special need payment shall be discontinued at the end of the month prior to the month in which the newborn is added into the AU (see Section 44-316.314(QR)).

**.64 Eligible Recipients**

.641 Section 44-211.641(MR) shall become inoperative and Section 44-211.641(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The pregnancy special need payment for a pregnant woman who is receiving CalWORKs in an assistance unit with eligible persons shall be granted from the first of the month in which the county received the medical verification through the month of birth.

(QR) The pregnancy special need payment for a pregnant woman who is receiving CalWORKs in an AU with eligible persons shall be granted from the month of the request continuing through the end of the quarter in which the child is expected to be born or the end of the month prior to the newborn being added to the AU once required verification has been provided.

.642 Section 44-211.642(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) The recipient is only required to verify pregnancy initially (when the pregnancy is reported) and when the pregnancy continues beyond the originally estimated date of birth.

<b>44-211</b>	<b>SPECIAL NEEDS IN CALWORKS (Continued)</b>	<b>44-211</b>
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.65 A pregnancy special need payment is \$47 per month.

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NOTE: Authority cited: Sections 10553, 10554, 11209, and 11450(g), Welfare and Institutions Code; and Statutes of 1995, Chapter 307, Section 24 (AB 908). Reference: Sections 11056, 11265.1, 11265.2, 11265.3, 11266(a)(2), 11271, 11272, 11273, and 11273(b), 11450(a)(1), (b), and (c), 11450(f)(2)(A)(i), 11450(f)(2)(C), 11450(f)(2)(E)(i), (ii) and (iii), 11450.5, 11452.018(a), and 11453.2, Welfare and Institutions Code; 45 CFR 206.10(a)(1)(ii), 45 CFR 206.10(a)(8), 45 CFR 233.10(a)(1)(iv), 45 CFR 233.20(a)(2)(v)(A), 45 CFR 234.11, 45 CFR 234.60, and 45 CFR 234.60(a)(2)-(11); and 42 U.S.C.A., Section 606(b).

<b>44-212</b>	<b>MINIMUM BASIC STANDARD OF ADEQUATE CARE</b>	<b>44-212</b>
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- .1 Definition -- The Minimum Basic Standard of Adequate Care is set forth in W&I Code Section 11452, as the amount which is necessary to provide an Assistance Unit with the following:
  - .11 Housing
  - .12 Clothing
  - .13 Food
  - .14 Utilities
  - .15 Items for household operation, education and incidentals, recreation, personal needs, and insurance.
  - .16 Essential medical, dental, or other remedial care not otherwise provided at public expense
  - .17 Has been deleted per Manual Letter No. 77-045.
- .2 The Minimum Basic Standard of Adequate Care set forth in Welfare and Institutions Code Section 11452 and previously distributed to the counties for each size AU (see Chapter 82-800 for composition of the AU) is in Section 44-207.212.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 45 CFR 233.20(a)(1)(i) and Sections 10553, 10554, and 10604, Welfare and Institutions Code.

<b>44-213</b>	<b>STANDARDS OF ASSISTANCE AU COMPOSITION AND NEED</b>	<b>Regulations</b>
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**44-213      MEDICAL NEEDS - GENERAL      44-213**

Repealed by Manual Letter No. EAS-87-08, effective 8/6/87.

**44-215      PERSONS WHO DO NOT MEET REQUIREMENTS FOR  
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Repealed by Manual Letter No. EAS-87-08, effective 8/6/87.

**44-217      SUBSTANDARD HOUSING      44-217**

Repealed by Manual Letter No. EAS-87-08, effective 8/6/87.

**44-223      A MOTHER IN A MATERNITY HOME      44-223**

Repealed by Manual Letter No. EAS-87-08, effective 8/6/87.

**44-267      SPECIAL NEED PAYMENT FOR CHILD'S RETURN HOME  
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Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

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**STANDARDS OF ASSISTANCE  
AID PAYMENTS**

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## **CHAPTER 44-300 AID PAYMENTS**

### **44-301 MONEY PAYMENT PRINCIPLE 44-301**

Each individual or family has the right to manage his/her own affairs; to decide what use of his/her money, including the aid payment, will best serve his/her interests; and to make his/her purchases through the normal channels of exchange, to enjoy the same rights and to discharge his/her responsibilities in the same manner as other members of the community.

Aid payments shall be made in conformity with the money payment principle except when a problem in money management exists (see Section 44-307); when authorized sanctions are applied when a person fails without good cause to cooperate in the WIN Demo or GAIN Programs (see Section 42-691 or 42-786); when protective payments are made in noncooperation child support cases (see Sections 43-106 and 43-107.1); when money management is required under GAIN (see Section 42-785); or when directed by the Services System to make payments to a protective payee or to a vendor or vendors (see Section 44-307).

Aid payments are for the benefit of the recipient only and do not constitute income to any other person.

### **44-302 PAYMENT BY ELECTRONIC FUND TRANSFER 44-302**

#### **.1 Payment by Direct Deposit**

Notwithstanding Section 25-301, direct deposit of assistance payments must be made available to CalWORKs recipients in all counties that offer a program of direct payroll deposit to some or all of their employees.

- .11 The CWD shall notify recipients of the option to receive benefits by direct deposit at the time of application or redetermination.
- .12 The recipient can request at anytime to receive direct deposit.
- .13 The recipient shall be eligible for direct deposit for the duration they are on aid.

#### **.2 Payment by Electronic Benefit Transfer (EBT)**

Pursuant to Section 16-001.3, counties may elect to use the EBT system to issue cash benefits.

NOTE: Authority cited: Sections 10553, 10554, and 11006.2, Welfare and Institutions Code. Reference: Sections 10072 and 11006.2, Welfare and Institutions Code.

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<b>44-303</b>	<b>AID PAYMENTS - DEFINED</b>	<b>44-303</b>
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Aid payments are:

- .1 Money payments, i.e., payments delivered unconditionally to the recipient or family or to the legally appointed guardian or conservator of the recipient's estate, with no state or county control of the use of the payments.

When a staff person in the county welfare department or in the State Department of Social Services serves as a substitute payee or as a court appointed guardian or conservator for the recipient, as provided in Sections 40-107.2 and 30-222.6, his/her determinations regarding utilization of the aid payments on behalf of the recipient do not constitute "state or county control" within the meaning of this section. However, care shall be taken to leave the recipient as much control over the use of the payment as possible and consistent with conditions.

or

- .2 Protective payments, i.e., assistance payments made to a substitute payee serving as representative of the recipient or family (see Section 44-309).

or

44-303	AID PAYMENTS - DEFINED (Continued)	44-303
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- .3 Vendor payments, i.e., payments made directly to a person or agency supplying goods or services to the recipient or family. Vendor payments are applicable:
- .31 In all aids, for payments on home repairs under special shelter payment provisions; and
  - .32 In CalWORKs, for use in certain Homeless Assistance cases (see Section 44-211.5); and
  - .33 In CalWORKs cases in which a member of the AU becomes ineligible for aid due to a felony conviction related to the use or distribution of a controlled substance (see Section 44-307.11); and
  - .34 In CalWORKs cases in which a parent or caretaker relative is subject to sanction for a period of time known in advance to be at least three consecutive months (see Section 44-307.12).

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11251.3, 11453.2, and 17012.5, Welfare and Institutions Code; Family Support Act of 1988, Public Law (PL) 100-485, October 13, 1988 and California Department of Health Services Manual Letter 77-1.

44-304	AID PAYMENT SCHEDULES	44-304
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- |     |                        |  |
|-----|------------------------|--|
| .1  | Forwarding of Warrants | When a CalWORKs warrant is mailed, the envelope containing the warrant shall bear a statement that the warrant is not to be forwarded and that an address correction is requested (Welfare and Institutions Code Section 11006.4). |
| .2  | Frequency of Delivery  | Except for counties with approved alternate payment systems counties shall select either semimonthly or monthly delivery of payments.  |
| .3  | Changes in Frequency   | Counties shall, when electing to change frequency of delivery:   |
| .31 | CDSS Notification      | Notify CDSS in writing at least 90 calendar days prior to converting from one payment frequency to another.  |
| .32 | Recipient Notification | Notify all recipients of CalWORKs in writing at least 30 calendar days prior to converting from one payment frequency to another.  |



<b>44-304</b>	<b>AID PAYMENT SCHEDULES (Continued)</b>	<b>44-304</b>
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- |    |                          |   |
|----|--------------------------|---|
| .4 | Recipient Option         | Counties opting for a monthly payment system shall be permitted to offer recipients the option of receiving semimonthly payments on a case-by-case basis. The total number of recipients receiving semimonthly payments shall not exceed 50% of the county's caseload.  |
| .5 | Standard Delivery Dates  |   |
|    | .51 Semimonthly Delivery | The county shall deliver ongoing payments as follows when the county has selected semimonthly delivery:   |
|    | .511 First Warrant       | Section 44-304.511(MR) shall become inoperative and Section 44-304.511(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.   |
|    | (MR)                     | The county shall place the first warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first day of the payment month unless the county received the completed CW 7 after the tenth day prior to the end of the report month.  |
|    | (MR)                     | If the completed CW 7 is received after the tenth day prior to the end of the report month, but on or before the first day of the payment month, the county shall not delay the payment and shall place the warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of the payment month if possible, but not later than the tenth calendar day of the payment month. |
|    | (QR) First Warrant       | The county shall place the first warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first day of each month of the QR Payment Quarter unless the county received the completed QR 7 after the tenth day prior to the end of the QR Submit Month.  |

**44-304 AID PAYMENT SCHEDULES (Continued)****44-304**

		If the completed QR 7 is received after the tenth day prior to the end of the QR Submit Month, but on or before the first day of the next QR Payment Quarter, the county shall not delay the payment and shall place the warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of the first month of the next QR Payment Quarter if possible, but no later than the tenth calendar day of the first month of the next QR Payment Quarter.
.512	Second Warrant	Section 44-304.512(MR) shall become inoperative and Section 44-304.512(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(MR)		The county shall place the second warrant in the mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the 15th calendar day of the payment month.
(QR)		The county shall place the second warrant in the mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by no later than the 15 <sup>th</sup> calendar day of each month of the QR Payment Quarter.
.52	Monthly Delivery	Section 44-304.52(MR) shall become inoperative and Section 44-304.52(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(MR)		The county shall place the warrant in the mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of the payment month unless the completed CW 7 is received after the tenth day prior to the end of the report month.

**44-304 AID PAYMENT SCHEDULES (Continued)****44-304**

(MR)	If the completed CW 7 is received after the tenth day prior to the end of the report month, but on or before the first day of the payment month, the county shall not delay the payment and shall place the warrant in the mail or forward the direct deposit electronic fund transfer in time to be received by the first day of the payment month if possible, but not later than the tenth day of the payment month.
(QR)	The county shall place the warrant in the mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of each month of the QR Payment Quarter unless the completed QR 7 is received after the tenth day prior to the end of the QR Submit Month.
(QR)	If the completed QR 7 is received after the tenth day prior to the end of the QR Submit Month, but on or before the first day of the next QR Payment Quarter, the county shall not delay the payment and shall place the warrant in the mail or forward the direct deposit electronic fund transfer in time to be received by the first day of the first month of the next QR Payment Quarter if possible, but not later than the tenth day of the first month of the next QR Payment Quarter.
.53	Notwithstanding Section 44-304.52, counties opting to use the EBT system shall issue cash benefits pursuant to Section 16-215.
.6 Exceptions to Standard Delivery Date	The county shall deliver:
.61 Holiday/Weekends	On the last postal delivery day preceding a holiday or weekend when the holiday or weekend will delay delivery past the specified date of delivery.
.611	With respect to electronic fund transfer, when a payment date falls on a weekend or holiday, funds shall be electronically transferred so that the funds are available on the first day of that month to recipients using direct deposit and available on the designated payment date to recipients using EBT pursuant to Section 16-215.

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- (a) Example: If the payment date is on a Monday and Monday is a holiday, the electronic fund transfer must be made in time to ensure that the funds are available on the first of the month for recipients using direct deposit and available by the designated payment date for recipients using EBT.

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- .62 Initial Payment Initial payments promptly but no later than 10 calendar days after authorization of aid or the beginning date of aid, whichever is later.
- .63 Other Types of Delivery Payment to the recipient on the last working day prior to the specified delivery date when the payment is to be delivered by means other than the mail.
- .64 Late Payments Payments that cannot be authorized before the date for regular aid payments as soon as administratively feasible.
- .65 Out-of-County Payments out of the county as soon as administratively feasible.
- .66 Vendor Payments Payments according to specified intervals to third parties or vendors when requested by the recipient or when made in accordance with Section 44-303.3.
- .7 Recipient Dies If a warrant is cashed or a direct deposit electronic fund transfer is made, but the recipient subsequently dies or becomes ineligible for aid there is no right to recovery.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10063(a), 10072, 10553, 10554, 11006.2, 11251.3, 11265.1, 11453.2, 11455 and 17012.5, Welfare and Institutions Code; 45 CFR 206.10(a)(6)(D); 45 CFR 233.23; 45 CFR 233.29(a)-(d); 45 CFR 233.31(b)(4); 45 CFR 233.32; and Balderas v. Woods Court Order.

<b>44-305</b>	<b>AID PAYMENTS - PAYEE AND DELIVERY</b>	<b>44-305</b>
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.1 To Whom Paid and Delivered

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- .11 For Payee and Delivery requirements applicable to pregnant or parenting minors who are participants of the California Work Pays Demonstration Project, see Section 89-201.4.

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.12 Child Living with Parent or Relative

- .121 If a child is living with a caretaker relative, the warrant shall be paid only to the caretaker relative unless such relative has a legally appointed guardian or conservator or there is a substitute payee or there is a vendor designated to receive payment (see Section 44-307). In such cases, the warrant is paid to the guardian, conservator, substitute payee or vendor.
- .122 If the caretaker relative is temporarily absent from the home, the warrant may be paid to a person designated by the caretaker relative.
- .123 The warrant is to be delivered only to the payee or otherwise according to the payee's instructions. If there is an emergency, the warrant may be delivered to a person acting temporarily for the parent or relative payee. (See Section 25-530.2.)

.13 Repealed by Manual Letter Number 81-62 (1/1/82)

.2 Alternate Payment System

- .21 A county may develop a plan that divides its cases into groups and pays aid to these cases on dates other than the first and fifteenth of the calendar month, in order to allow payment dates to be spaced evenly throughout the calendar month.
- .22 Such an alternate payment system must receive written approval of the California Department of Social Services before it may be implemented. The plan must provide that:
- .221 Each recipient shall be assigned a recurring, specified aid payment period. The budget period shall correspond to this payment period.
- .222 The aid payment shall be issued by mail or by direct deposit electronic fund transfer in time to be available to the recipient on the dates specified under Section 44-305.23.

44-305	AID PAYMENTS - PAYEE AND DELIVERY (Continued)	44-305
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- .223 Upon changing aid payment periods for any recipient, the recipient shall be provided a payment for the prorated amount of aid for the interim period between the end of the old payment period and the beginning of the new payment period. The prorated payment shall be made on the old aid payment delivery date.
- .224 Under the alternate payment system, references to month in the regulations shall be interpreted to mean the assigned aid payment or budget period.
- .225 Upon approval of the plan by the state and the assignment of an applicant to an alternate payment period, the recipient shall be informed of the payment period, budget period and dates he can expect his aid payment.
- .23 Aid payments to CalWORKs families residing in counties with approved semimonthly alternate payment systems shall be made in two installments during the payment period as follows:
  - .231 Section 44-305.231(MR) shall become inoperative and Section 44-305.231(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
  - (MR) The county shall issue the first aid payment by mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first day of the assigned payment period, unless the county received the completed CW 7 after the tenth day prior to the end of the assigned report period. If the CW 7 is received after the tenth day prior to the end of the assigned report period, but on or before the first day of the assigned payment period, the county shall not delay the payment and shall issue the first aid payment in time to be available to the recipient by the first day of the assigned payment period if possible, but not later than the tenth day of the assigned period.
  - (QR) The county shall issue the first aid payment by mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first day of each month of the assigned QR Payment Quarter, unless the county received the completed QR 7 after the tenth day prior to the end of the assigned QR Submit Month. If the QR 7 is received after the tenth day prior to the end of the assigned QR Submit Month, but on or before the first day of the next assigned QR Payment Quarter, the county shall not delay the payment and shall issue the first aid payment in time to be available to the recipient by the first day of the next assigned QR Payment Quarter if possible, but not later than the tenth day of the first month of the next assigned QR Payment Quarter.
- .232 The county shall place the second warrant in the mail or complete the second direct deposit electronic fund transfer in time to be available to the recipient by the 15th day of the assigned payment period.

<b>44-305</b>	<b>AID PAYMENTS - PAYEE AND DELIVERY (Continued)</b>	<b>44-305</b>
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- .24 The exceptions to standard delivery dates specified in Section 44-304.6 shall be applicable to counties that have alternate payment systems.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10063(a), 11006.2, 11254, and 11256.1, Welfare and Institutions Code; 45 CFR 233.29, 45 CFR 233.31(b)(4) and 45 CFR 233.32.

<b>44-307</b>	<b>VOUCHER/VENDOR PAYMENTS</b>	<b>44-307</b>
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| .1  | Voucher/Vendor Payments | A county shall issue vouchers or vendor payments for at least rent and utilities payments in the following instances:  |
| .11 | Felony Conviction       | A member of the AU becomes ineligible for aid due to a felony conviction after December 31, 1997, related to the possession, use, or distribution of a controlled substance, or  |
| .12 | Sanction                | Any parent or caretaker relative is subject to sanction for a period of time known in advance to be at least three consecutive months. The vouchers or vendor payments shall continue until the parent or caretaker relative is no longer subject to sanction. |
| .2  | Grant not Sufficient    | When the computed grant is not sufficient to cover both rent and utilities, the county shall issue a voucher or vendor payment for the full amount of the grant. The voucher or vendor payment may be for rent, utilities, or some portion of either.          |

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| .21 | Example: | Recipient's rent for a given month \$500.  |
|     |          | Utilities for the month \$100.   |
|     |          | Grant for the month \$400.   |
|     |          | The county could either send a \$400 voucher to the landlord or send a \$100 voucher to the utility company and a \$300 voucher to the landlord. |

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<b>44-307</b>	<b>VOUCHER/VENDOR PAYMENTS (Continued)</b>	<b>44-307</b>
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| .3  | Untenable Living Situation       | Counties shall establish procedures to accommodate recipients who notify the county fourteen calendar days prior to the issuance of the next rental payment that they wish to withhold all or part of their rent due to an untenable living situation. |
| .4  | Change of Address                | If a recipient notifies the county fourteen calendar days prior to the issuance of the next regular rental payment that he/she intends to move, the county shall arrange to send the next rental payment to the new landlord.                          |
| .5  | Optional Voucher/Vendor Payments | Counties have the option of issuing voucher or vendor payments in the following instances:   |
| .51 | Other Need Items                 | When vouchers or vendor payments are issued pursuant to Section 44-307.11 or .12, counties have the option to issue additional vouchers or vendor payments for other need items if they deem it in the best interest of the recipient child(ren), or   |
| .52 | Over Time Limit                  | When an adult is removed from the AU after reaching the 60-month time limit specified in Section 42-302.1, counties have the option of providing aid to the AU in the form of vouchers or vendor payments.   |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11251.3, 11320.15, 11450.13, 11453.2, and 17012.5, Welfare and Institutions Code; and Section 1942, Civil Code.

<b>44-309</b>	<b>PROTECTIVE PAYMENTS</b>	<b>44-309</b>
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Choosing, appointing and reviewing protective payees.

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| .1  | When the parent or needy caretaker relative is excluded from the assistance unit pursuant to Section 82-832.21 or 42-786, the payment for the assistance unit shall be made in its entirety by protective payments provided the county is able to locate an appropriate protective payee. See Section 44-310 for exceptions to protective payment requirements. |
| .11 | The recipient's inability to manage money need not be established.  |
| .12 | Repealed by Manual Letter No. 85-04 (Effective 1/18/85)   |



<b>44-309</b>	<b>PROTECTIVE PAYMENTS (Continued)</b>	<b>44-309</b>
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- .13 The protective payee shall be selected using the following criteria:
  - .113 Interest in or concern with the recipient's welfare.
  - .114 Existence of a positive relationship with the recipient.
  - .115 Accessibility to the recipient.
  - .116 Good character and reliability (see also Section 40-107.2 for recipient's right to choose).
- .14 At least every three months, the way in which the protective payee's responsibilities are carried out shall be reviewed.
- .15 Protective payments will be terminated with return to money payment status only upon compliance by the parent or needy caretaker relative with the provisions of Sections 43-106 and/or 107, or Section 42-786.

NOTE: The above function shall be funded under Title IV-A of the Social Security Act.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 10604, Welfare and Institutions Code; and California Department of Health Services Manual Letter 77-1.

<b>44-310</b>	<b>EXCEPTIONS TO PROTECTIVE PAYMENT REQUIREMENTS</b>	<b>44-310</b>
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- .1 Protective payments under Sections 42-691.233, 42-786.5 and 44-309 are not required if, after making all reasonable efforts (see .2 below), the county is unable to locate an appropriate individual to whom protective payments can be made. In this case, the county shall continue to make payments on behalf of the remaining members of the assistance unit to the sanctioned caretaker.
- .2 At a minimum, reasonable efforts on the part of the county to locate a protective payee shall include the following actions:
  - .21 Inform the sanctioned individual that the county is required to make protective payments if it is able to locate an appropriate protective payee.
  - .22 Ask the sanctioned individual to name a person who can act as the protective payee, and explain the selection criteria of Section 44-309.13 to the sanctioned individual.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: California Department of Health Services Manual Letter 77-1.

44-311	<b>COST-OF-LIVING ADJUSTMENTS</b>	44-311
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Grant and benefit levels are adjusted annually on July 1 to reflect changes in the cost of living as provided by statute (see W&IC Sections 11453 and 13100). This section does not apply to foster care rates for AFDC children.

44-313	<b>BUDGETING METHODS FOR AFDC-FG/U</b>	44-313
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Section 44-313(MR), Introductory Paragraphs, shall become inoperative and Section 44-313(QR), Introductory Paragraphs, shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Budgeting is the activity used to compute the aid payment for a month for which eligibility exists (known as the payment month) using net nonexempt income, see Chapter 44-100, received in a corresponding month (known as the budget month). The two types of budgeting methods are prospective and retrospective. Under prospective budgeting, the budget month and the payment month are the same month. Under retrospective budgeting, the budget month is the second month prior to the payment month.

(MR) Budgeting is an activity separate from the determination of eligibility. All eligibility factors, including income eligibility, see Section 44-207, are considered on a prospective basis.

(MR) This section defines prospective and retrospective budgeting and specifies the appropriate method for various situations.

(MR) For the appropriate budgeting method to be used when an individual is added to or deleted from an existing assistance unit, see Section 44-313.4.

(QR) Budgeting is the activity used to compute the aid payments for a QR Payment Quarter for which eligibility exists using net nonexempt income, (see Chapter 44-100) that is reasonably anticipated to be received in the QR Payment Quarter. The budgeting method used is prospective budgeting.

(QR) Budgeting is an activity separate from the determination of eligibility. All eligibility factors, including income eligibility (see Section 44-207 and 44-316.324(QR)), are considered on a prospective basis.

.1 Prospective Budgeting

.11 Section 44-313.11(MR) shall become inoperative and Section 44-313.11(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Prospective budgeting is the method of computing an aid payment for a month using an estimate of the income reasonably expected to be received in that month. The estimate shall be based on the county's knowledge of past and current income and reasonable expectation of future income.

**44-313 BUDGETING METHODS FOR AFDC-FG/U (Continued)****44-313**

(QR) Prospective budgeting is the method of computing an aid payment for a QR Payment Quarter using an estimate of the income reasonably anticipated to be received in that quarter (see Section 44-315.31(QR)) except for those mid-quarter changes where actual income is used as specified in Section 44-316.311(QR).

.12 Prospective budgeting shall be used to compute:

.121 Section 44-313.121(MR) shall become inoperative and Section 44-313.121(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The grant for the first and second months that AFDC is granted following a new application or reapplication, see Sections 40-103.41 and .43.

(MR) Example:

(MR) If the first month of aid is October, the aid payments for October and November are computed using estimates of income reasonably expected to be received in October and November.

(QR) The CalWORKs grant for each month in a QR Payment Quarter.

.122 Section 44-313.122(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The grant for the first and second payment months of AFDC when aid is restored (see Section 40-103.42) following a break in aid of one calendar month or more.

.123 Section 44-313.123(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When aid is restored following a suspension, see Section 44-315.6.

(MR) Example:

(MR) If aid is discontinued March 31, and aid is restored to be effective anytime in May, the aid payments for May and June are computed using estimates of income reasonably expected in May and June.

44-313	BUDGETING METHODS FOR AFDC-FG/U (Continued)	44-313
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.2 Section 44-313.2(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Retrospective Budgeting

(MR) .21 Retrospective budgeting is the method used to compute the AFDC grant for a month using income received in the second month prior to the payment month. Income information shall be obtained from the Monthly Eligibility Report (CA 7).

(MR) .22 Retrospective budgeting is the method used to compute:

(MR) .221 The AFDC grant for the third and subsequent payment months, except that income from the budget month which was considered prospectively for any payment month and is not of a continuous nature shall not be counted, see Section 44-313.3(MR).

(MR) .222 The AFDC grant for the month following a suspension as required by Section 44-315.6.

(MR) .223 The AFDC grant for the month in which aid is restored following a break in aid of less than a calendar month provided:

(MR) (a) The assistance unit received an aid payment, received a zero grant, or would have received an aid payment except for the restriction on grants of less than \$10, for the immediately preceding two payment months; or

(MR) (b) The assistance unit was suspended in either of the two payment months immediately preceding discontinuance and retrospective budgeting was or is required by Section 44-315.6 where aid was or is restored following the suspension.

(MR) Example:

(MR) If aid is discontinued effective March 31, and aid is restored to be effective anytime in April, the grant for April is computed using income received in February, the grant for May is computed using income received in March, etc.

.3 Section 44-313.3(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Income of a Continuous Nature

(MR) .31 For the third and fourth payment periods, the income already used to compute the grant for the first and second payment periods which is not of a continuous nature shall not be counted.

<b>44-313</b>	<b>BUDGETING METHODS FOR AFDC-FG/U (Continued)</b>	<b>44-313</b>
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.4 Budgeting the Income of Individuals Added to or Deleted from an Existing Assistance Unit

.41 Sections 44-313.41(MR) et seq. shall become inoperative and Section 44-313.41(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The income of an eligible individual added to an existing assistance unit shall be budgeted prospectively for the first two payment months except in the following circumstances:

(QR) The income of a new person who is added to an existing AU shall be budgeted prospectively in accordance with Section 44-316.312(QR) for each month of the QR Payment Quarter.

(MR) .411 When aid is restored following a break in aid from that assistance unit when the break in aid is less than one calendar month, retrospective budgeting shall continue. See Section 44-313.223(MR).

(MR) .412 When the added individual's income has been considered when determining the assistance unit's eligibility for the two months immediately preceding the beginning date of aid, retrospective budgeting shall be used.

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(MR) EXAMPLE:

(MR) Situation: The assistance unit is in retrospective budgeting. An unaided stepparent has income deemed to the assistance unit in December and January. The stepparent is added to the assistance unit on the first day of February, and remains eligible in subsequent months.

Budgeting: Retrospectively budget the stepparent's income deemed to the assistance unit in December to the February payment month. Retrospectively budget the stepparent's income deemed in January to the March payment month. Retrospectively budget all the stepparent's net nonexempt income received in February to the April payment month.

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**44-313 BUDGETING METHODS FOR AFDC-FG/U (Continued)****44-313**

- (MR) .413 When the added individual's income has been considered when determining the assistance unit's eligibility for only the first month immediately preceding the beginning date of aid, his/her income shall be retrospectively budgeted in the second month of aid.

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(MR) EXAMPLE:

Situation: The assistance unit is in retrospective budgeting. A second parent moves into the home in January and applies for aid. Eligibility conditions are met at the end of January. The second parent is added to the assistance unit effective the first of February, and remains eligible in subsequent months.

Budgeting: Compute the second parent's income considered available to the assistance unit in January according to 44-133.3, and retrospectively budget this amount to the March payment month. Prospectively budget the second parent's net nonexempt income expected to be received in February to the February payment month. In addition, retrospectively budget the second parent's net nonexempt income received in February to the April payment month, if the income is of a continuous nature. (See Section 44-313.3(MR).) Retrospectively budget the second parent's net nonexempt income received in March to the May payment month.

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- .42 Section 44-313.42(MR) shall become inoperative and Section 44-313.42(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (MR) The income received during the budget month by an individual deleted from an assistance unit shall not be considered income to the assistance unit for retrospective budgeting in any payment month following his or her discontinuance except in the following circumstance:

- (QR) The income of an individual deleted from an AU shall not be considered income to the AU for budgeting purposes in any month(s) following his or her discontinuance except in the following circumstance:

- .421 Section 44-313.421(MR) and Handbook Section 44-313.421(MR) shall become inoperative and Section 44-313.421(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

<b>44-313</b>	<b>BUDGETING METHODS FOR AFDC-FG/U (Continued)</b>	<b>44-313</b>
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- (MR) When the person remains in the home following discontinuance and has income which is considered available to the assistance unit under Section 44-133, retrospective budgeting shall continue.

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- (MR) EXAMPLE 1:

A child with income moves from the home in July. The child's needs are not considered for eligibility in August. Therefore, his/her June income is not considered when computing the grant paid in August.

- (MR) EXAMPLE 2:

Situation: The assistance unit is in retrospective budgeting, and in January and prior months consisted of stepfather, mother and her separate child. Stepfather begins working full time and is removed from the assistance unit as of February 1. The stepfather remains in the home, and his income is deemed to the assistance unit according to 44-133.6 in February and subsequent months.

Budgeting: Retrospectively budget all the net nonexempt income received in November by the three-person assistance unit to the January payment month. Retrospectively budget all the net nonexempt income received in December by the three-person assistance unit to the February payment month. Retrospectively budget all of the net nonexempt income received in January by the three-person assistance unit to the March payment month. Retrospectively budget the net nonexempt income received in February by the two-person assistance unit, including the income deemed from the stepparent in February, to the April payment month. Note: This budgeting method is used even when the stepparent's income is not actually considered available to the family because the stepparent's needs and other deductions allowed under 44-133.6 are greater than the income.

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- (QR) When the person remains in the home following discontinuance and has income which is considered available to the AU under Section 44-133, prospective budgeting shall continue.

**.5 Budgeting in Approved Alternate Payment Systems**

- .51 Apply the requirements of 44-313 to approved alternate payment systems (see Section 44-305.3). Substitute references to "month" with phrase "28- to 31-day period not limited to a calendar month."

<b>44-313</b>	<b>BUDGETING METHODS FOR AFDC-FG/U (Continued)</b>	<b>44-313</b>
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.6	Budgeting for Refugee or Cuban/Haitian Entrant Cases Transferred from Refugee or Cuban/Haitian Entrant Cash Assistance to AFDC-FG AND AFDC-U
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.61	Section 44-313.61(MR) shall become inoperative and Section 44-313.61(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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(MR)	The budget period for the month of transfer from the Refugee Resettlement or Cuban/Haitian Entrant Programs to AFDC-FG or AFDC-U shall be the second prior calendar month (retrospective budgeting) unless the family did not receive refugee or Cuban/Haitian entrant cash assistance in the second prior calendar month.
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(QR)	Prospective budgeting shall continue for recipients transferred from the Refugee Resettlement or Cuban/Haitian Entrant Programs to CalWORKs.
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.62	Section 44-313.62(MR) and Welfare and Institutions Code Section 11265.3 shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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(MR)	If the family did not receive cash assistance in the second prior calendar month, but did in the prior calendar month, the budget period for the month of transfer shall be the concurrent month. The budget period for the following month shall be the corresponding second prior calendar month.
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NOTE:	Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.
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<b>44-314</b>	<b>MAXIMUM FAMILY GRANT (MFG)</b>	<b>44-314</b>
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.1	Definitions	The following definitions pertain only to Section 44-314.
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.11	Break-in-Aid	Section 44-314.11(MR) shall become inoperative and Section 44-314.11(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in the county, pursuant to the Director's Declaration.
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(MR)	For MFG purposes the following conditions will be considered a month in which the assistance unit (AU) did not receive cash aid:
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44-314	MAXIMUM FAMILY GRANT (MFG) (Continued)	44-314
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(MR)	Months in suspense as defined in Section 44-315.8(MR).
(MR)	A month in which the AU is eligible for a zero basic grant (ZBG) as defined in Section 44-315.9; or
(MR)	A month in which the reunification family does not receive a cash aid payment pursuant to Section 82-812.683.
(QR)	For MFG purposes the following conditions will be considered a month in which the AU did not receive cash aid:
(QR) .111	A month in which the AU is eligible for a zero basic grant (ZBG) as defined in Section 44-315.9; or
(QR) .112	A month in which the reunification family does not receive a cash aid payment pursuant to Section 83-812.683.
.12 Law Enforcement Agency	Law enforcement agency includes federal, state, and local law enforcement agencies.
.13 Mental Health Professional	Mental health professional means a person who is licensed by the State of California to provide counseling services.
.14 MFG Child	MFG child means the child, or children in the case of a multiple birth, that is not included in the AU size for the purpose of determining the MAP.
.15 Received Aid	Received aid means received cash aid for himself/herself or on behalf of his/her eligible child(ren). This includes:
.151	A sanctioned parent who has a protective payee.
.152	A minor that receives aid as a child and who subsequently becomes a minor parent.

44-314	MAXIMUM FAMILY GRANT (MFG) (Continued)	44-314
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- |      |                 |   |
|------|-----------------|---|
| .2   | MFG             | When a child is born into an AU that has received aid for at least ten months immediately prior to the birth, the child shall not be included in the AU size for the purpose of determining the MAP. For MFG purposes, will be considered as a month in which the AU did not receive aid. |
| .3   | MFG Application | The MFG applies when:   |
| .31  | Notice          | The AU has received written notice of the MFG at least ten months prior to the birth of the child, and  |
| .32  | No Break in Aid | The AU has not had a break in aid of at least two consecutive months during the ten months immediately prior to the month of birth of the child.  |
| .4   | Continue MFG    | The MFG continues to apply until the AU has not received aid for at least 24 consecutive months.  |
| .5   | MFG Exemptions  | MFG shall not apply when:   |
| .51  | Rape            | The child was conceived as a result of an act of rape, as defined in Sections 261 and 262 of the Penal Code, and  |
| .511 |                 | The rape has been reported to a law enforcement agency, medical or mental health professional or an organization that provides counseling to victims of rape prior to, or within three months after, the birth of the child.  |
| (a)  |                 | The recipient shall provide written verification from one of the entities listed above, that the incident of rape was reported and the date that the report was made.   |

44-314	MAXIMUM FAMILY GRANT (MFG) (Continued)	44-314
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- |      |                                |  |
|------|--------------------------------|--|
| .52  | Incest                         | The child was conceived as a result of incest, as defined in Section 285 of the Penal Code, and  |
| .521 |                                | Paternity has been established, or   |
| .522 |                                | The incest has been reported to a law enforcement agency, medical or mental health professional or an organization that provides counseling to victims of incest prior to, or within three months after, the birth of the child. |
|      | (a)                            | The recipient shall provide written verification from one of the entities listed above that the incident of incest was reported and the date the report was made.  |
| .53  | Contraceptive Failure          | It is medically verified that the child was conceived as a result of the failure of:   |
| .531 |                                | An intrauterine device, or   |
| .532 |                                | Norplant, or   |
| .533 |                                | The sterilization of either parent.  |
| .54  | Unaided Caretaker Relative     | The child was conceived while either parent was an unaided nonparent caretaker relative.   |
| .55  | Not Living With Parent         | The child is not living with either parent.  |
| .56  | Teen Parent/Former Teen Parent | A teen parent/former teen parent, who has met the age requirements in Section 42-101 at the time the child was born, establishes his/her own AU. When this occurs, the MFG rule shall not apply to:                              |
| .561 |                                | Any existing child of the teen parent/former teen parent, or   |
| .562 |                                | Any new child born to the teen parent/former teen parent during the first ten months after establishing his/her own AU.  |

44-314	MAXIMUM FAMILY GRANT (MFG) (Continued)	44-314
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.6	MFG Child Eligibility	The MFG child is eligible for and a recipient of aid including special needs.
.61	MBSAC	The MFG child is included in the AU size for the MBSAC.
.62	Child Support	Any child support payments for the MFG child shall be given to the AU and exempt from consideration as income. For treatment as a resource, see MPP Section 42-211.2.
.621		Benefits from the Social Security Administration or other government programs that are based on an absent parent's disability or retirement and paid to, or on behalf of, the MFG child shall be considered child support for MFG purposes.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11203, 11265.2, 11450.04(a), (b)(1), (2) and (3), (d)(1), (2) and (3), and (e), Welfare and Institutions Code; Sections 261, 262, and 285, Penal Code; Nickols v. Saenz, Case Number 310867, August 25, 2000; and Kehrer v. Saenz, Case Number 99CS02320, January 22, 2001.

<b>44-315</b>	<b>AMOUNT OF AID</b>	<b>44-315</b>
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- |     |                      |   |
|-----|----------------------|---|
| .1  | Definitions          | These definitions are specific to and for purposes of this section.   |
| .11 | Net Nonexempt Income | "Net Nonexempt Income" means all earned income and disability-based unearned income less applicable disregards, plus any unearned income. |

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**HANDBOOK BEGINS HERE**

[See Chapter 44-100 to determine net nonexempt income.]

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**HANDBOOK ENDS HERE**

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|-----|-----------------------|---|
| .12 | Grant Amount          | "Grant Amount" means the amount of cash aid which is to be paid to the AU for a given month.  |
| .13 | Potential Grant       | Potential Grant" means the subtotal after the net nonexempt income is subtracted from the MAP plus special needs for the family. The potential grant may equal the grant amount if the potential grant is equal to or less than the MAP plus any special needs for the AU only. |
| .2  | County Responsibility | The county is responsible for computing the amount of aid payment when:   |
| .21 | Granted               | Aid is granted or restored;   |
| .22 | Redetermination       | A redetermination of eligibility is made;   |
| .23 | Change                | There is a change in need, income, or other factors affecting the amount of aid to which the recipient is eligible.   |
| .3  | Amount of Grant       | The county shall calculate the amount of grant as follows:  |
| .31 |                       | Section 44-315.31(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in the county, pursuant to the Director's Declaration.   |

44-315 (Cont.)	STANDARDS OF ASSISTANCE AID PAYMENTS		Regulations
44-315	AMOUNT OF AID (Continued)		44-315
(QR) Reasonably Anticipated Monthly Income	The reasonably anticipated monthly income shall be used to determine cash aid for the QR Payment Quarter.		
(QR) .311	Income shall be considered to be reasonably anticipated if the county determines that:		
(QR) (a)	The income has been or will be approved or authorized within the next QR Payment Quarter, or the household is otherwise reasonably certain that the income will be received within the QR Payment Quarter; and		
(QR) (b)	The amount of the income is known.		
(QR) .312	If necessary, the county may require the recipient to provide one or more months of the previous quarter's income when the county needs more information to determine what income is reasonably anticipated for the next QR Payment Quarter.		
(QR) .313	That portion of the AU's income which is uncertain or cannot be reasonably anticipated, in accordance with Section 44-101(c)(1)(QR), will not be counted when determining income eligibility and cash aid.		
(QR) .314 Determine if Income Will Be Continued or Be Different	The county shall determine whether the reasonably anticipated monthly income is expected to be different from the income reported for the QR Data Month for one or more months during the next QR Payment Quarter or whether the monthly income reported for the QR Data Month is expected to continue during each month of the next QR Payment Quarter.		
(QR) .315 Income Expected to Continue	Under the following circumstances the county shall add weekly or bi-weekly (every other week) Data Month income amounts reported on the QR 7 and divide that total by the number of pay periods in the Data Month to arrive at an average weekly or bi-weekly income amount to which the conversion factor (see Section 44-315.315(b)(QR)) shall be applied:		
(QR) (a) Weekly/Bi-Weekly Payments			

## 44-315 AMOUNT OF AID (Continued)

44-315

(QR) (1)

An AU reports on the QR 7 that it is paid on a weekly or bi-weekly basis and indicates that it does not anticipate any changes in income in the upcoming quarter compared to the Data Month income actually reported on the QR 7, and the county is in agreement with the AU's report of no change in income; or

(QR) (2)

An AU reports on the QR 7 that it is paid on a weekly or bi-weekly basis and indicates that it anticipates changes in income in the upcoming quarter, but the county determines in its follow-up review that the AU's reasonably anticipated income in the next QR Payment Quarter will not change from what was reported in the Data Month on the QR 7.

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**HANDBOOK BEGINS HERE**

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Example 1:

The recipient reports on the QR 7 that four weekly paychecks were received in the following amounts: \$115, \$100, \$135, and \$95. The recipient also indicated on the QR 7 that his/her income is not expected to change during the next QR Payment Quarter compared to the income reported on the QR 7. The county will add the four weeks of income together, divide by four and then factor the resultant amount by 4.33 (use the appropriate conversion factor for the payment frequency) to arrive at the monthly income amount for the next QR Payment Quarter. If five pay periods were reported in the Data Month on the QR 7, the county will add each week together and divide by five and then factor the resultant amount by 4.33.

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**HANDBOOK CONTINUES**

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44-315	AMOUNT OF AID (Continued)	44-315
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**HANDBOOK CONTINUES**

Example 2:

The QR Payment Quarter is January/ February/March. The recipient indicated on the QR 7 that weekly income of \$100 was received in the Data Month and marks on the QR 7 that this income amount will not continue during the upcoming QR Payment Quarter. The county consults with the recipient and finds out that the recipient anticipated a change in income because he/she hopes to get a new job in the next quarter but has no firm offer. The recipient states that if he/she does not get a new job, he/she will continue at the current job throughout the next quarter making the same amount. Due to the speculative nature of the new job and the recipient's statement regarding the current job, the county determines that the income reported in the Data Month on the QR 7 is reasonably anticipated to continue during the next quarter. Therefore, the county would apply the conversion factor of 4.33 to the \$100 weekly amount to arrive at the monthly income amount for the next QR Payment Quarter. (In this example, because the \$100 weekly amount remains the same for each pay period, the step requiring that the weekly amounts be added together and divided by the number of pay periods is not necessary.

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**HANDBOOK ENDS HERE**

(QR) (b)

The average weekly and bi-weekly amounts arrived at above shall be converted to a monthly amount by using a 4.33 conversion factor for weekly payments and a 2.167 conversion factor for payments received bi-weekly.



## 44-315 AMOUNT OF AID (Continued)

44-315

(QR) (c)

The conversion factors can only be used if reasonably anticipated weekly and bi-weekly payments are reasonably anticipated to be paid throughout the entire QR Payment Quarter for each week or for every other week in the QR Payment Quarter. For reasonably anticipated income that is not paid weekly or bi-weekly for one or more months of the QR Payment Quarter, the total monthly reasonably anticipated income amounts shall be added together and averaged over the months of the QR Payment Quarter, by adding each month total income and dividing by the number of months in the QR payment quarter.

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Example:

The recipient reports on the QR 7 that she is paid on a weekly basis except she only works three weeks in a month and indicates that this frequency of pay will remain the same throughout the next QR Payment Quarter and will remain unchanged throughout the next QR Payment Quarter. She is typically paid \$115, \$100, and \$135. The county will add the three weeks of income together to arrive at a reasonably anticipated monthly income for the next QR Payment Quarter. Since income is not paid every week of the QR Payment Quarter, the conversion factor cannot be applied.

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(QR) (d) Monthly/Semi-Monthly Payments

For income that is received monthly or semi-monthly (two times a month) and is expected to continue, the county shall use the total monthly income amount reported on the QR 7 for the QR Data Month to calculate cash aid for the next QR Payment Quarter. The conversion factors shall not be used for income that is received monthly or semi-monthly.

**44-315 AMOUNT OF AID (Continued)****44-315**

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Example: The recipient reports on the QR 7 that monthly income of \$500 received in the QR Data Month will continue for the QR Payment Quarter. The county shall use the \$500 monthly income total to calculate cash aid.

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**HANDBOOK ENDS HERE**

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(QR) .316 Income Expected to  
Be Different

For income that is reasonably anticipated to be different for one or more months of the QR Payment Quarter, the monthly income amounts shall be averaged over the months of the QR Payment Quarter by adding each month's total income and dividing that total by the number of months in the QR Payment Quarter.

If this income is paid on a weekly or bi-weekly basis, the county shall determine the number of pay periods and their amounts reasonably anticipated to be received during each month of the QR Payment Quarter to compute the reasonably anticipated income total for each month.

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Example: A recipient is in a January/February/March quarter. The recipient indicated on the QR 7 that weekly income of \$100 per week was received in the QR Data Month and that this income will not continue during the April/May/June quarter. The county consults with the recipient and determines that the \$100 per week pay will only be received until the second week of May. The recipient will begin a new job on June 1 and anticipates receiving a monthly income of \$500. There are five pay periods in April, and four pay periods in May.

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**HANDBOOK CONTINUES**

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<b>44-315</b>	<b>AMOUNT OF AID (Continued)</b>	<b>44-315</b>
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Once the monthly income amounts for each month of the QR Payment Quarter have been determined, add the reasonably anticipated income for each month of the quarter and divide by the number of months in the QR Payment Quarter to arrive at a reasonably anticipated monthly income. The county shall use the reasonably anticipated monthly income to calculate cash aid for the QR Payment Quarter.

The county will compute income for the new quarter as follows:

April	\$500
May	\$200
June	\$500
Total Quarter income	\$1200

The reasonably anticipated monthly income is \$400 (\$1200 divided by the number of months in the QR Payment Quarter).

The reasonably anticipated income for each month of the QR Payment Quarter \$400.

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**HANDBOOK ENDS HERE**

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(QR) .317      Determination of Aid Based  
on Mid-Quarter Changes

When a recipient mid-quarter report or a county initiated action changes the amount of cash aid, except as provided in Section 44-316.311(c)(QR), the county shall determine the grant amount by adding the monthly income for the remaining months of the QR Payment Quarter then dividing by the number of months remaining in the QR Payment Quarter. The county shall use the reasonably anticipated monthly income to calculate cash aid for the remainder of the QR Payment Quarter.

.32      "Family" MAP

Determine the Maximum Aid Payment (MAP) for all family members whose needs are considered in the payment month. The MAP is set forth in Welfare and Institutions Code Section 11450.

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.321 MBSAC and MAP Levels

(a) REGION 1 MBSAC/MAP STANDARDS

# in AU	MBSAC	<u>EXEMPT*</u>		<u>NONEXEMPT*</u>	
		MAP	80%	MAP	80%
1	423	373	298	336	269
2	693	613	490	548	438
3	859	758	606	679	543
4	1022	901	721	809	647
5	1165	1027	822	920	736
6	1310	1153	922	1033	826
7	1439	1267	1014	1136	909
8	1567	1382	1106	1237	990
9	1699	1492	1194	1336	1069
10 or more**	1844	1603	1282	1435	1148

REGION 2 MBSAC/MAP STANDARDS

# in AU	MBSAC	<u>EXEMPT*</u>		<u>NONEXEMPT*</u>	
		MAP	80%	MAP	80%
1	402	355	284	319	255
2	659	584	467	521	417
3	817	723	578	647	518
4	972	859	687	770	616
5	1108	980	784	876	701
6	1245	1100	880	984	787
7	1367	1209	967	1079	863
8	1490	1316	1053	1177	942
9	1615	1424	1139	1272	1018
10 or more*	1754	1528	1222	1366	1093

\* See MPP Section 89-110.2 for definition of Exempt and Nonexempt AUs.

\*\* For MBSAC add fourteen dollars (\$14) for each additional needy person.

MBSAC Levels effective 10/01/01, MAP Levels effective 10/01/01.

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**HANDBOOK CONTINUES**

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<b>44-315</b>	<b>AMOUNT OF AID (Continued)</b>	<b>44-315</b>
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REGION 1 COUNTIES

REGION 2 COUNTIES

Alameda	Orange	Santa Clara	Alpine	Lake	San Bernardino
Contra Costa	San Diego	Santa Cruz	Amador	Lassen	San Joaquin
Los Angeles	San Francisco	Solano	Butte	Madera	Shasta
Marin	San Luis Obispo	Sonoma	Calaveras	Mariposa	Sierra
Monterey	San Mateo	Ventura	Colusa	Mendocino	Siskiyou
Napa	Santa Barbara		Del Norte	Merced	Stanislaus
			El Dorado	Modoc	Sutter
			Fresno	Mono	Tehama
			Glenn	Nevada	Trinity
			Humboldt	Placer	Tulare
			Imperial	Plumas	Tuolumne
			Inyo	Riverside	Yolo
			Kern	Sacramento	Yuba
			Kings	San Benito	

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**HANDBOOK ENDS HERE**

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- |  |                              |   |
|--|------------------------------|---|
|  | .33 Add Special Need Payment | Add any special need payment amounts for the family to the MAP. |
|--|------------------------------|---|

44-315	AMOUNT OF AID (Continued)	44-315
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.34	Net Nonexempt Income	Round to the next lower dollar the net nonexempt income from the budget month including in-kind income.
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(See Chapter 44-100 for computing net nonexempt income.)

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.35	Potential Grant	Subtract the net nonexempt income amount from the MAP plus special need for the family. This is the potential grant amount.
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.36	AU MAP	Determine the Maximum Aid Payment (MAP) for the AU only. The MAP is set forth in Welfare and Institutions Code Section 11450.
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.37	Add Special Need Payments	Add any special need payments for the AU only to the MAP.
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.38	Actual Grant Amount	The actual grant amount is the lesser of the potential grant amount or the sum of the MAP plus special needs for the AU only.
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**HANDBOOK BEGINS HERE**

.381	For additional Amount of Aid requirements applicable to pregnant or parenting minors who are Cal-Learn participants, see Section 42-762.7.
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.39	Computation Examples  Handbook Section 44-315.39(MR) shall become inoperative and Handbook Section 44-315.39(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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(MR) Example 1:

A nonexempt family of four (a pregnant mom, stepfather (father of the unborn) and her two separate children). The stepfather has gross earned income of \$775 per month, with no other income. The family lives in Region 1.

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**HANDBOOK CONTINUES**

<b>44-315</b>	<b>AMOUNT OF AID (Continued)</b>	<b>44-315</b>
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**HANDBOOK CONTINUES**

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\$ 775	Earned Income for the family
<u>- 225</u>	\$225 Income Disregard
\$ 550	Subtotal
<u>- 275</u>	50% Earned Income Disregard
\$ 275	Total Net Nonexempt Income
\$ 728	"Family" MAP for four (mom, stepfather and two children) Region 1
<u>+ 47</u>	Special Needs AU (third trimester of pregnancy)
\$ 775	Total (MAP plus Special Needs)
<u>- 275</u>	Net Nonexempt Income
\$ 500	Potential Grant
\$ 611	Nonexempt AU MAP for three (Region 1)
<u>+ 47</u>	Special Needs for AU
\$ 658	Total MAP plus Special Needs
\$500	Actual Grant Amount (lesser of potential grant or AU MAP plus special needs)

(QR) Computation of Monthly Grant Amount for the QR Payment Quarter when the AU's Income Reported for the QR Data Month is Expected to Continue for Each Month of the QR Payment Quarter

Example 1:

A nonexempt family of four (a pregnant mom, stepfather (father of the unborn) and her two separate children) are in a July, August, and September Quarter. The stepfather has gross earned income of \$775 per month, with no other income and no reasonably anticipated changes in income for the QR Payment Quarter. The family lives in Region 1.

\$ 775	Reasonably Anticipated Monthly Earned Income for the Family
<u>- 225</u>	\$225 Income Disregard
\$ 550	Subtotal
<u>- 275</u>	50% Earned Income Disregard
\$ 275	Total Net Nonexempt Income
\$ 839	"Family" MAP for Four (mother, stepfather and two children) Region 1
<u>+ 47</u>	Special Needs AU (third trimester of pregnancy)
\$ 886	Total (MAP plus special needs)
<u>- 275</u>	Net Nonexempt Income
\$ 611	Potential Grant

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**HANDBOOK CONTINUES**

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44-315	AMOUNT OF AID (Continued)	44-315
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**HANDBOOK CONTINUES**

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\$ 704	Nonexempt AU MAP for Three (Region 1)	
+ 47	Special Needs for AU	
\$ 751	Total MAP plus Special Needs	
\$ 611	Actual Grant Amount (lesser of potential grant or AU MAP plus special <u>needs</u> )	

(MR) Example 2:

A nonexempt AU of three (an adult and two children) has gross earned income of \$800 per month and the children received \$300 in Social Security Disability Insurance benefits from the absent parent's disability claim. The family lives in Region 1.

\$ 300	Disability-based Unearned Income (SSDI)	
- 225	\$225 Income Disregard	
\$ 75	Nonexempt Disability-Based Income	
\$ 800	Earned Income	
- 400	50% Income Disregard	
\$ 400	Nonexempt Earned Income	
+ 75	Nonexempt Disability-Based Income	
\$ 475	Total Net Nonexempt Income	
\$ 611	Nonexempt MAP for three (Region 1)	
- 475	Total Net Nonexempt Income	
\$ 136	Grant Amount	

(QR) Computation of Monthly Grant Amount for the QR Payment Quarter when the AU's Income Reported for the QR Data Month is Expected to Differ for One or More Months of the QR Payment Quarter.

Example 2:

A Region 1 nonexempt AU of four is in the October/November/December quarter. Mother submits the QR 7 for November to the county on December 10. On the QR 7, she reports that she started a part-time job in December that will only last until the end of January, when the holiday shopping season has ended. She reports that she will get paid \$900 in January and \$800 in February. One child is also receiving SSA disability benefits (DBI) of \$100 per month based on an absent father's disability.

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**HANDBOOK CONTINUES**

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<b>44-315</b>	<b>AMOUNT OF AID (Continued)</b>	<b>44-315</b>
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**HANDBOOK CONTINUES**

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Benefits for the January/February/ March quarter are computed based on the income the AU reasonably anticipates it will receive during that quarter as follows:

\$ 100	Monthly DBI
\$ 900	Reasonably Anticipated Earned Income for January
<u>+ 800</u>	Reasonably Anticipated Earned Income for February
<u>+ 0</u>	Reasonably Anticipated Earned Income for March
\$1700	Subtotal Reasonably Anticipated Earned Income for Quarter
\$ 566	Reasonably Anticipated Earned Income Divided by the Number of Months in the QR Payment Quarter 1700/3 = (averaged monthly earnings)
\$ 100	Reasonably Anticipated Monthly DBI Income
<u>- 225</u>	Less DBI Unearned Income Disregard
-\$125	Remaining Disregard
\$ 566	Reasonably Anticipated Monthly Earned Income
<u>- 125</u>	Less (remaining) Income Disregard
\$ 441	Subtotal
<u>- 220.50</u>	Less 50% Earned Income Disregard
\$ 220.50	Subtotal NNI
\$ 0.00	Add Reasonably Anticipated Monthly DBI
<u>+ 220.50</u>	Add Reasonably Anticipated Monthly Earnings
\$ 220.50	Total NNI
\$ 799	MAP for AU of Four
<u>- 220</u>	Less NNI
\$ 579	New Monthly Grant for the QR Payment Quarter

(MR) Example 3:

A nonexempt AU of four (mother, father, and their two children) has gross earned income of \$775 per month. The father has \$150 in Social Security Disability benefits per month and \$300 in veteran's benefits. The family lives in Region 1.

\$ 150	Disability-Based Unearned Income
<u>- 225</u>	\$225 Income Disregard
\$-75	Remainder of \$225 Income Disregard (\$225 - \$150)

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**HANDBOOK CONTINUES**

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**HANDBOOK CONTINUES**

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\$ 775	Earned Income
<u>- 75</u>	Remainder of \$225 Income Disregard (\$225 - \$150)
\$ 700	Subtotal
<u>- 350</u>	50% Earned Income Disregard
=350	Nonexempt Earned Income
+ 0	Nonexempt Unearned Disability-Based Income
<u>+300</u>	Nonexempt Unearned Income (Veteran's Benefits)
\$ 650	Total Net Nonexempt Income
\$ 728	Nonexempt MAP for four (Region 1)
<u>- 650</u>	Net Nonexempt Income
\$ 78	Grant Amount

**(QR) Mid-Quarter Changes to Cash Aid**

Example 3:

A Region 1 nonexempt AU of three (mother and two children) is in the October, November, and December quarter. On her previous QR 7 received in September, (QR Data Month for the previous quarter was August), mother reported her earned income to be \$600 and that she expected no changes for the next QR Payment Quarter.

\$ 600	Reasonably Anticipated Monthly Income for the Family
<u>- 225</u>	\$225 Income Disregard
\$ 375	Subtotal
<u>- 187.50</u>	50% Earned Income Disregard
\$ 187	Total Net Nonexempt Income
\$ 704	Non-exempt MAP for Three, Region 1
<u>- 187</u>	Less Net Nonexempt Income
\$ 517	AU Monthly Grant for the QR Payment Quarter

On October 25, the mother voluntarily reports that the father, with no income, moved into the home on October 24. The father is determined eligible and is reasonably anticipated to have monthly income of \$200 for November and \$100 for December.

The Mid-Quarter Grant Calculation for the Remaining Months of the Quarter Would Be:

\$ 200	Father's Reasonably Anticipated Earned Income for November
<u>+ 100</u>	Father's Reasonably Anticipated Earned Income for December
\$ 300	Subtotal Reasonably Anticipated Earned Income for the Remainder of the Payment Quarter

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**HANDBOOK CONTINUES**

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<b>44-315</b>	<b>AMOUNT OF AID (Continued)</b>	<b>44-315</b>
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**HANDBOOK CONTINUES**

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<p>\$ 150</p> <p>\$ 600</p> <p><u>+ 150</u></p> <p>\$ 750</p> <p><u>- 225</u></p> <p>\$ 525</p> <p><u>- 262.50</u></p> <p>\$ 262</p> <p>\$ 839</p> <p><u>- 262</u></p> <p>\$ 577</p>	<p>Father's Earned Income Divided by the Remaining Months of the QR Payment Quarter <math>\\$300/2 = \\$150</math> (reasonably anticipated monthly income)</p> <p>Existing AU's Previously Determined Reasonably Anticipated Monthly Earned Income (not recalculated)</p> <p>Father's Reasonably Anticipated Earned Monthly Income</p> <p>Total Net Nonexempt Income for the Potential AU</p> <p>\$225 Income Disregard</p> <p>Subtotal</p> <p>50% Earned Income Disregard</p> <p>Total Net Nonexempt Averaged Income</p> <p>Non-exempt MAP for Four, Region 1(includes eligible father)</p> <p>Less Net Nonexempt Income</p> <p>AU Monthly Grant Payment for the Remaining Months of the QR Payment Quarter</p>
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Father is added to the existing AU effective November 1 since his addition to the AU will increase the cash aid. A supplement of \$60 is issued to the AU for November and the grant is increased to \$577 for the month of December.

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**HANDBOOK ENDS HERE**

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|-----|---------------|---|
| .4  | Special Needs | The amount of the Special Needs shall be calculated as follows:   |
| .41 |               | Round to the next lower dollar the amount of recurring special needs (see Section 44-211) the Assistance Unit (AU) is eligible to receive.  |
| .42 |               | Payment for recurring special needs shall be added to the amount determined payable as the basic grant, provided that the allowance available for each FBU per month for recurring special needs does not exceed the amount resulting from multiplying \$10 by the number of persons in the FBU. However, any remaining excess of net nonexempt income above the maximum aid payment not utilized to meet nonrecurring or pregnancy special needs shall be applied to meet the cost of recurring special needs. |

44-315	AMOUNT OF AID (Continued)	44-315
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.43	The amount determined in .421, up to limitation determined in .422, shall be paid in addition to the basic grant.
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.44	Round to the next lower dollar the amount of nonrecurring special needs (Section 44-211) the AU is eligible to receive.
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.45	Payment for nonrecurring special needs shall be added to the amount determined payable as the basic grant. However, any remaining excess of net nonexempt income above the maximum aid payment not utilized to meet recurring or pregnancy special needs shall be applied to meet the cost of nonrecurring special needs.
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.46	Payment for a pregnancy special need shall be added to the amount determined payable as the basic grant, provided that the pregnant woman has been determined to be eligible for such need in accordance with Section 44-211.4. However, any remaining excess of net nonexempt income above the maximum aid payment not utilized to meet recurring or nonrecurring special needs shall be applied to meet the cost of the pregnancy special need.
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.5	\$10 or More	If the amount determined in Section 44-315.38 is less than ten dollars (\$10), no payment shall be paid for that month. If the beginning date of aid is after the first of the month, and the amount of aid determined in Section 44-315.38 is to be prorated, and the prorated amount is less than ten dollars (\$10), no payment shall be paid for that month. Such cases shall be considered to have received a payment for all other purposes.

		If the amount determined in Section 44-315.38 is ten dollars (\$10) or more, that amount is the total grant and, if there are no overpayment adjustments, shall be authorized as the aid payment.
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<b>44-315</b>	<b>AMOUNT OF AID (Continued)</b>	<b>44-315</b>
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- |      |                              |   |
|------|------------------------------|---|
| .6   | Payment in Installments      | Aid need not be paid in equal installments.   |
| .7   | Proration of AFDC-FG/U Grant |   |
| .71  |                              | When the beginning date of aid is on the first day of the month, the recipient shall be entitled to receive a payment for the full month.   |
| .72  |                              | When the beginning date of aid is after the first of the month (see Section 44-317) or when the last day of aid is before the last day of the month as in State-only AFDC-U Program (see Section 41-609), the total grant shall be prorated. The prorated grant shall be computed as follows: |
| .721 |                              | Determine the total monthly grant amount (see Section 44-315.38);   |
| .722 |                              | Determine the actual number of days in the month;   |
| .723 |                              | Divide this number into the monthly grant amount to determine the daily grant;  |
| .724 |                              | Determine the total number of days for which the recipient is eligible in that month including the first and last day of aid for that month;  |
| .725 |                              | Multiply this number by the daily grant amount to determine the prorated grant;   |
| .726 |                              | If the prorated grant amount is not a whole dollar, then the prorated amount shall be rounded to the next lower whole dollar. (See Section 44-315.5 if this amount is less than ten dollars.)   |

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**HANDBOOK BEGINS HERE**

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.73

Reciprocal Table for Computing Partial Month's  
Payments Portion of Monthly Rate or Reciprocal  
Table

Day of the month	28-day Month	29-day Month	30-day Month	31-day Month	Day of the month
1st	1.0000	1.0000	1.0000	1.0000	1st
2nd	.9643	.9655	.9667	.9677	2nd
3rd	.9286	.9310	.9333	.9355	3rd
4th	.8929	.8966	.9	.9032	4th
5th	.8571	.8621	.8667	.8710	5th
6th	.8214	.8276	.8333	.8387	6th
7th	.7857	.7931	.8	.8065	7th
8th	.75	.7586	.7667	.7742	8th
9th	.7143	.7241	.7333	.7419	9th
10th	.6786	.6897	.7	.7097	10th
11th	.6429	.6552	.6667	.6774	11th
12th	.6071	.6207	.6333	.6452	12th
13th	.5714	.5862	.6	.6129	13th
14th	.5357	.5517	.5667	.5806	14th
15th	.5	.5172	.5333	.5484	15th
16th	.4643	.4828	.5	.5161	16th
17th	.4286	.4483	.4667	.4839	17th
18th	.3929	.4138	.4333	.4516	18th
19th	.3571	.3793	.4	.4194	19th
20th	.3214	.3448	.3667	.3871	20th
21st	.2857	.3103	.3333	.3548	21st
22nd	.25	.2759	.3	.3226	22nd
23rd	.2143	.2414	.2667	.2903	23rd
24th	.1786	.2069	.2333	.2581	24th
25th	.1429	.1724	.2	.2258	25th

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**HANDBOOK CONTINUES**

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<b>44-315</b>	<b>AMOUNT OF AID (Continued)</b>	<b>44-315</b>
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**HANDBOOK CONTINUES**

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Day of the month	28-day Month	29-day Month	30-day Month	31-day Month	Day of the month
26th	.1071	.1379	.1667	.1935	26th
27th	.0714	.1034	.1333	.1613	27th
28th	.0357	.0690	.1	.1290	28th
29th		.0345	.0667	.0968	29th
30th			.0333	.0645	30th
31st				.0323	31st

EXAMPLE: The total monthly grant amount is \$150 (see Section 44-315.43). Aid is to begin on the 17th of March, and March has 31 days. The reciprocal for the 17th day of a 31-day month is .4839. The total monthly grant amount X the reciprocal = the prorated grant amount (\$150 x .4839 = \$72.5850). \$72.5850 is rounded to \$72 which is the amount of the payment (see Section 44-315.432 if the amount of the payment is less than ten dollars).

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**HANDBOOK ENDS HERE**

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<div style="border-left: 1px solid black; padding-left: 10px;"> <p>.8</p> <p>(MR) Suspension</p> </div>	<p>Section 44-315.8(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.</p>
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<div style="border-left: 1px solid black; padding-left: 10px;"> <p>(MR) .81</p> </div>	<p>The county shall suspend, not discontinue, aid in the payment month when income or other circumstances in the corresponding budget month appear to result in ineligibility for only one payment month. The recipient need not reapply for aid for the month following the suspension, however, the recipient is required to complete a monthly report for the month of suspension. If it appears that the income or other circumstances from the budget month will result in ineligibility for more than one payment month, aid is discontinued.</p>
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<div style="border-left: 1px solid black; padding-left: 10px;"> <p>(MR) .82</p> </div>	<p>Aid payments for the month following a suspension shall be computed using prior month budgeting if the family's circumstances have not changed significantly from the corresponding budget period.</p>
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44-315	AMOUNT OF AID (Continued)	44-315
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(MR) .83	Aid payments for the two months following a suspension shall be computed using concurrent budgeting if the family's circumstances have changed significantly from the corresponding budget period, e.g., loss of a job (see Section 44-313.123(MR)).
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.9 Zero Basic Grant

.91 An AU is considered to have received a cash aid payment even when:

.911 The payment is not sent due to penalty which reduced the payment to zero, or

.912 The grant amount is \$10 or less. See Section 44-315.5 regarding grants \$10 or less, or

.913 The grant for the AU is reduced to zero to adjust for a prior overpayment, or

.914 The grant based on On-The-Job Training is diverted to the employer as a wage subsidy to offset the participant's wages. See Section 42-701.2(g)(2).

NOTE: Authority cited: Sections 10553, 10554, 11209, 11450, 11450(g), 11450.018(a) and (b), 11452.018(a), and 11453, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11004 (Ch. 270, Stats. 1997), 11017, 11209, 11253.5(d) and (e) (Ch. 270, Stats. 1997), 11254, 11265.2, 11265.3, 11265.8(a) (Ch. 270, Stats. 1997), 11323.4 (Ch. 270, Stats. 1997), 11450, 11450(g), 11450.01, 11450.015, 11450.018(a) and (b), 11451.018(a), 11450.03, 11450.5, 11451.5 (Ch. 270, Stats. 1997), 11452, 11453, and 11453(a) (Ch. 329, Stats. 1998), Welfare and Institutions Code.



Section 44-316(MR) Title shall become inoperative and Section 44-316(QR) Title shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

**(MR)44-316 REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS** **44-316**

**(QR)44-316 REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS** **44-316**

.1 Sections 44-316.1 and .11(MR) shall become inoperative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Required Reporting of All Changes Affecting Eligibility and Grant Determination

(MR) .11 All recipients are required to promptly report to the county any changes in eligibility or grant determination factors.

.2 Section 44-316.2(MR) shall become inoperative and Sections 44-316.2(QR) and .21(QR) shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Additionally, prior to the end of each budget period, the county shall request updated information from recipient families concerning all changes affecting eligibility and grant in that budget period or expected changes in subsequent budget periods.

(MR) For all CalWORKs recipients, such information shall be reported on the CA 7. If the recipient fails to provide the report requested by the county by the deadline provided by Section 40-181.22(MR), then the recipient's grant will be terminated in accordance with Confidentiality, Fraud, Civil Rights, and State Hearings Manual Section 22-072. Though the CA 7 is not applicable to AFDC-FC, every effort shall be made by the county to insure that foster parents and children are aware of the necessity to report any change in need or income for the child.

(QR) Prior to the end of each QR Payment Quarter, the county shall request updated information from recipient families concerning all changes affecting eligibility and grant in that QR Payment Quarter and expected income changes in the subsequent QR Payment Quarter.

(QR) .21 For all CalWORKs recipients, such information shall be reported on the QR 7. If the recipient fails to provide the report requested by the county by the deadline provided by Section 40-181.22(QR), then the recipient's grant will be terminated in accordance with Section 22-072.

<b>44-316</b>	<b>REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)</b>	<b>44-316</b>
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.22 Section 44-316.22(QR) shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(QR) The county shall use the QR 7 to determine continued eligibility as specified in Section 40-181.

.23 Section 44-316.23(QR) shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(QR) Additionally, the county shall compare the QR 7 submitted for that QR Payment Quarter to all mid-quarter reports that were reported during that QR Payment Quarter to ensure that mid-quarter circumstances reported are consistent with the circumstances reported on the QR 7.

.3 Section 44-316.3(QR) et seq. shall become operative in a county on the date the QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(QR) Mid-Quarter Actions

The county shall act on specified changes that occur mid-quarter. Mid-quarter changes to cash aid under quarterly reporting/prospective budgeting include:

(QR) .31 Recipient Mid-Quarter Voluntary Reports

(QR) Recipients may voluntarily report verbally or in writing, changes in income and circumstances any time during the QR Payment Quarter. The county shall also accept a report of decreased income on the QR 7 as a voluntary mid-quarter report. The county shall take action on voluntary reports that increase cash aid or the recipient requests voluntary discontinuance of aid. If the grant would decrease (for reasons other than a voluntary discontinuance of aid) or not change based on the voluntary report, the county shall not take action to change the grant, but shall send a notice pursuant to Section 22-071.12(QR). Recipients must provide all verifications within ten days of a voluntary report prior to county action. Recipient voluntary reports include, but are not limited to, the following:

(QR) .311 Decreases in Reasonably Anticipated Income

(QR) (a) When an AU voluntarily reports a decrease in income from the amount that was reasonably anticipated to be received, the county shall determine if the AU's cash aid will increase based on the changed income amount.

**44-316 REPORTING CHANGES AFFECTING ELIGIBILITY AND  
GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)****44-316**

- (QR) (1) When an AU receives income from more than one source, and reports that its income has decreased, only the income that experienced the decrease shall be recalculated for the current and remaining months of the quarter. The new grant amount shall be calculated using the existing averaged income that didn't change and the recalculated averaged income (the income that decreased).
- (QR) (2) When an AU consists of more than one person with income and one person experiences a decrease in income, only the changed income shall be recalculated. The new grant amount shall be based on that person's recalculated income along with the existing AUs averaged monthly income that did not change.
- (QR) (b) When cash aid would increase due to a voluntary reported decrease in reasonably anticipated monthly income, the county shall determine a new monthly grant amount based on the report of decreased income.
- (QR) (c) The county shall use the actual income received for the month in which the decreased income occurred or the month it was reported, whichever is later, and the reasonably anticipated monthly income for the remaining months of the QR Payment Quarter in recalculating cash aid for the month in which the change was reported and remaining months of the QR Payment Quarter.
- (QR) (d) The county shall issue a supplement within ten days of receiving verification. The supplement shall be based on the difference between the recalculated cash aid and the cash aid that was paid for the month the decrease in income is reported or the month the change actually occurs whichever is later and when all verification has been provided (see Section 44-340.34(QR)).
- (QR) (e) The county shall increase the grant amount for the remainder of the QR Payment Quarter based upon the newly calculated grant in Section 44-316.311(c).

44-316 REPORTING CHANGES AFFECTING ELIGIBILITY AND  
GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)

44-316

## HANDBOOK BEGINS HERE

(QR) Example 1:

An exempt AU of three, in Region 1 is in the April/May/June quarter and is receiving a QR Payment Quarter grant of \$192 per month. The grant was based on the mother having reasonably anticipated earned income of \$1200 per month. On April 15, the mother reports that she lost her job and will only receive a \$600 paycheck for the month of April and anticipates no income for the remainder of the quarter. The county requests verification of the job loss and the recipient provides the necessary documentation by April 20. The county shall recalculate aid for QR Payment Quarter as follows:

\$ 600	April Actual Income
+ 0	May Reasonably Anticipated Income
+ 0	June Reasonably Anticipated Income
\$ 600	Earned Income for the Quarter
÷ 3	Earned Income Divided by Three
\$ 200	Reasonably Anticipated Monthly Income (month of report of decreased income plus the remaining months of the current QR Payment Quarter)
\$ 200	Reasonably Anticipated Monthly Income
- 225	Income Disregard
\$ 0	Subtotal
	50% Earned Income Disregard
\$ 0	Total Net Nonexempt Income
\$ 704	MAP for Three in Region 1(QR Payment Quarter monthly grant)
\$ 704	Potential Monthly Grant Amount
- 192	Grant Already Received
\$ 512	Supplement

A supplement of \$512 is issued for the family for the month of April and the cash aid is increased to \$704 for May and June.

## HANDBOOK ENDS HERE

**44-316 REPORTING CHANGES AFFECTING ELIGIBILITY AND  
GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)****44-316**

- (QR) (f) If the AU voluntarily reports a decrease in earnings that resulted from a loss or reduction in hours of employment, and the county determines that the recipient did not have good cause for the job quit/reduction in hours, the county shall impose a sanction pursuant to Section 42-721.4. However, the county shall not wait to increase cash aid due to voluntary report of decreased income while determining if good cause exists before imposing the sanction. See Section 42-721.44 for the time frame for imposing sanctions.
- (QR) .312 Adding Persons to an Existing AU
- (QR) (a) When an AU voluntarily reports a new person in the home, the county shall determine:
- (QR) (1) If the new person is CalWORKs eligible; and
- (QR) (2) If the new person were added into the AU, the AU would still meet all eligibility conditions; and
- (QR) (3) If the addition of the new person would increase or decrease the grant amount or render the AU ineligible.
- (QR) (b) In determining if the new person is CalWORKs eligible, the county shall use the reasonably anticipated averaged income for the new person and the existing AU's income for the month in which the new person was voluntarily reported in the home and the remaining months of the QR Payment Quarter. In making this determination, the county shall not recalculate the existing AU's reasonably anticipated monthly income that was previously computed.
- (QR) (c) When aid would increase due to the voluntary report of a new person, the county shall add the new person effective the first of the month following the report of the change, in which all verification has been provided and all eligibility conditions have been met.
- (QR) (1) The county shall include the new person's reasonably anticipated monthly income along with the existing AU's reasonably anticipated monthly income to recalculate cash aid for the month the new person is added and the remaining months of the QR Payment Quarter.

<b>44-316</b>	<b>REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)</b>	<b>44-316</b>
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- (QR) (A) The new person's income will be averaged for the remaining months of the QR Payment Quarter. The county shall not recalculate the existing AU's monthly income that was previously computed when adding a new person to the grant.
- (QR) (B) The new grant amount shall be based on the AU's existing averaged monthly income and the new person's calculated averaged monthly income for the months the new person would be included in the AU.
- (QR) (2) The county shall increase the grant amount for the month the new person is added and the remaining months of the QR Payment Quarter based on the recalculation of the AU's cash aid (see Section 44-340.34(QR)).
- (QR) (d) When adding a new person who would result in an increase in aid, but the new person does not meet all eligibility conditions, before aid is authorized, the county shall not add the person nor discontinue the existing AU mid-quarter.
- (QR) (e) If the addition of a new person would result in a decrease in the existing AU's cash aid, the county shall not add the new person until the first day of the next QR Payment Quarter that follows the mandatory reporting of the new person on the QR 7, after all verification has been provided and all eligibility conditions have been met (see Section 82-832.3(QR)).

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**HANDBOOK BEGINS HERE**

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(QR) Example: An AU of three (mother and two children) are in a January/February/March Quarter. Father, who is disabled and has a part time job, moves into the home January 10. The county recalculates aid for the QR Payment Quarter using the father's reasonably anticipated income for the quarter and determines the addition of the father would decrease aid for the existing AU. The county does not add the father into the AU mid-quarter. The county will send a No Change NOA and remind the existing AU to report the father on the next QR 7, due March 5. If the father is still living in the home, meets all eligibility conditions, and the AU remains eligible, the father will be added into the AU April 1 and his income will be used in the grant calculation for the April/May/June QR Payment Quarter.

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**HANDBOOK ENDS HERE**

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<b>44-316</b>	<b>REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)</b>	<b>44-316</b>
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- (QR) (f) If adding a new person would render the existing AU ineligible, the county shall not take action mid-quarter to discontinue the existing AU. The county shall discontinue the existing AU, with timely and adequate notice, at the end of the QR Payment Quarter in which the new person is mandatorily reported on the QR 7.
- (QR) .313 Request Discontinuance for Aid to Existing AU Members
  - (QR) At any time during the QR Payment Quarter, a voluntary request can be made to discontinue the entire AU or any individual AU member who is no longer in the home or is an optional person.
  - (QR) (a) If a voluntary request for discontinuance is made verbally, the county shall discontinue cash aid at the end of the month in which timely and adequate notice can be provided.
  - (QR) (b) If the request for discontinuance was made in writing, the county shall discontinue cash aid at the end of the month with adequate notice.
  - (QR) (c) If an individual requests discontinuance from an existing AU, the county shall discontinue the individual even when that individual's request results in a decrease in aid for the remaining AU members.
    - (QR) (1) The county shall not presume that a mid-quarter report of an individual leaving the home is a voluntary request for discontinuance of that AU member. In such circumstances, the county shall verify with the AU if the AU is seeking to discontinue that individual, and shall inform the AU that such a discontinuance shall result in decreased cash aid to the remaining AU members.
    - (QR) (2) If an individual AU member who has left the home requests a discontinuance, but the AU has not voluntarily reported the departure, the individual's request for discontinuance takes precedence over the AU's decision to not make this voluntary mid-quarter report.
  - (QR) (d) If an AU notifies the county mid-quarter that an AU member has died, the county shall treat this information as a voluntary report for mid-quarter discontinuance of cash aid for the deceased individual.

<b>44-316</b>	<b>REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)</b>	<b>44-316</b>
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(QR) .314 Request for Recurring Special Needs

(QR) (a) Recurring special needs that have been requested mid-quarter and have been verified and approved will begin the first of the month in which the county receives verification which substantiates that the need exists and shall remain in effect until the end of the quarter in which the special need is expected to end, except as provided in Section 44-211.641(QR).

(QR) (b) When an AU member becomes pregnant mid-quarter, the county shall make payment according to existing pregnancy special need rules (see Sections 44-211.6 et seq.) and will continue payment of the special need until the end of the quarter in which the child is expected to be born.

(QR) (1) If the pregnancy is verified to extend beyond the estimated date of confinement and extends into the next QR Payment Quarter, the county shall continue the pregnancy special need payment until the end of the QR Payment Quarter in which the new estimated date of confinement is established or until the newborn is added to the AU.

(QR) .32 Recipient Mid-Quarter Mandatory Reports

Recipients shall report in person, verbally or in writing, specific changes during the QR Payment Quarter within ten days of when the change becomes known to the AU.

(QR) .321 The following occurrences shall be reported by the recipient to the county:

(QR) (a) Drug felony convictions

(QR) (b) Fleeing felon status

(QR) (c) Violation of conditions of probation or parole

(QR) (d) Address changes

(QR) (e) Income exceeding the Income Reporting Threshold (IRT)



<b>44-316</b>	<b>REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)</b>	<b>44-316</b>
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- (QR) .322 The county shall discontinue cash aid to the recipient at the end of the month in which timely and adequate notice can be provided when changes specified in Sections 44-316.321(a), (b), and (c) are reported.
- (QR) .323 The county shall act on address changes, in accordance with regulations and procedures regarding changes of residence.
- (QR) .324 Income Reporting Threshold (IRT)
- (QR) (a) The level of income that triggers the need for a CalWORKs AU to report a mid-quarter change in income. The IRT is the greater of 130 percent of the Federal Poverty Level or the level at which an AU becomes financially ineligible.
- (QR) (b) If any member of the AU or person included in the family MAP, when the AU's current grant was determined, has earned income or begins receiving earned income, the AU must report to the county when the family's combined gross monthly income, earned and unearned, exceeds the AU's IRT during the QR Payment Quarter.
- (QR) (1) An AU that has earned income only or a combination of earned and unearned income shall report when the family's combined gross monthly income exceeds the AU's IRT.
- (QR) (2) An AU that has no income or has unearned income only shall report if they begin to receive earned income that, once combined with other family income, exceeds the AU's IRT.
- (QR) (c) When an AU reports income in excess of the IRT, the county shall redetermine the AU's financial eligibility for the QR Payment Quarter.
- (QR) (1) The county shall determine if the reported income is reasonably anticipated to continue and whether the AU's net nonexempt monthly income will exceed the AU's MAP for the remainder of the QR Payment Quarter. If the income will continue, the AU is determined financially ineligible for the QR Payment Quarter and the county shall discontinue the AU at the end of the month the income exceeded the AU's MAP, with timely notice (see Section 44-207.23(QR)).

<b>44-316</b>	<b>REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)</b>	<b>44-316</b>
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(QR) (A) If the AU reports that the income will no longer exceed the IRT prior to the effective date of the discontinuance, and the county determines that this is reasonably anticipated, the county shall rescind the discontinuance.

(QR) (B) If the AU requests restoration of cash aid after the QR Payment Quarter in which the discontinuance takes effect, financial eligibility shall be determined in accordance with Sections 40-125.91 and .92(QR)).

(QR) (d) If income that was reported as being in excess of the IRT is only expected to exceed the IRT for that one month and will not continue to exceed the IRT, the county shall not take action to discontinue cash aid. If the recipient's report indicates there will also be a decrease in the income previously anticipated for the QR Payment Quarter, the county shall treat this additional information as a mid-quarter report.

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**HANDBOOK BEGINS HERE**

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An AU is in the April/May/June Quarter. In April, the AU reports timely to the county that their earned income exceeded the IRT due to overtime. When determining the reasonably anticipated income for May and June for the AU due to the IRT report, it is discovered that the AU will have no income for those months. Since the income over the IRT will not continue, the AU is not discontinued. The county shall treat this information as a mid-quarter report and recalculate the cash aid amount, after verification is received, for the decreased income for May and June. If the recalculation results in an increase of cash aid, a supplement will be issued for May and the grant increased for June.

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**HANDBOOK CONTINUES**

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**44-316 REPORTING CHANGES AFFECTING ELIGIBILITY AND  
GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)****44-316****HANDBOOK CONTINUES****Income Reporting Threshold (IRT)  
for Recipient Family**

<b>Region One</b>	
Reporting Size	Income Reporting Threshold
1	\$973
2	\$1361
3	\$1654
4	\$1994
5	\$2334
6	\$2674
7	\$3014
8	\$3354
9	\$3695
10 or more	\$4036

*Effective 10/1/03 to 9/30/04*

<b>Region Two</b>	
Reporting Size	Income Reporting Threshold
1	\$973
2	\$1313
3	\$1654
4	\$1994
5	\$2334
6	\$2674
7	\$3014
8	\$3354
9	\$3695
10 or more	\$4036

*Effective 10/1/03 to 9/30/04***HANDBOOK ENDS HERE****(QR) .33 County Initiated Mid-Quarter Changes**

The county shall take mid-quarter action on certain specified changes in eligibility and grant status at the end of the month in which the change occurred even if it results in a decrease in cash aid.

**(QR) .331 County-initiated actions include:**

- (QR) (a) An adult in the AU reaches the 60-month time limit;
- (QR) (b) The county imposes a sanction or financial penalty on an individual member of the AU;
- (QR) (c) The county removes the sanction of an individual who corrects his/her welfare-to-work participation problem, in accordance with Section 42-721.48;

44-316	<b>REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS</b> (Continued)	44-316
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|------|-----|--|
| (QR) | (d) | The county removes the penalty for an AU that complies with the CalWORKs program requirements; |
| (QR) | (e) | A Cal-Learn participant earns a Cal-Learn bonus or sanction;                                   |
| (QR) | (f) | A child in the AU reaches the age limit;   |
| (QR) | (g) | A child in the AU is placed in Foster Care;  |
| (QR) | (h) | A Refugee Cash Assistance (RCA) recipient reaches the eight-month RCA time limit;              |
| (QR) | (i) | Aid is approved for child who is currently aided in another AU;                                |
| (QR) | (j) | Late QR 7 adjustment;  |
| (QR) | (k) | State Hearing decision resulting in mandatory changes mid-quarter;                             |
| (QR) | (l) | When an AU becomes a Family Reunification case;  |
| (QR) | (m) | An AU member is no longer a California resident;   |
| (QR) | (n) | County acts on redetermination information in accordance with Section 40-181.1(QR).            |

NOTE: Sections 10553, 10554, and 11369, Welfare and Institutions Code. Reference: Section 10063 (Ch. 270, Stats. 1997), 11265, 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

<b>44-317</b>	<b>BEGINNING DATE OF AID FOR NEW APPLICATIONS</b>	<b>44-317</b>
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When the applicant is found eligible, the following are beginning dates of aid:

.1 Basic Date of Aid Determination

.11 The beginning date of aid (BDA) shall not precede the date of application. Aid shall begin on the date of application, or the date on which the applicant meets all eligibility conditions, whichever is later.

.111 "The date of application" means the date on which the county receives a signed and dated application.

(a) In the event the CWD is closed during the regular eight hours of a working day as defined in Sections 11-601.214 and .215, and an application for AFDC benefits is deposited in a drop box, mail slot, or other reasonable accommodation in accordance with Section 11-601.311(b), the "date of application" shall be the date the application is deposited.

(b) In the event the CWD is closed during the regular eight hours of a working day as defined in Sections 11-601.214 and .215, and an applicant calls to make a request for emergency benefits in accordance with Section 11-601.313, the date of application shall be the date the telephone call is received.

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**HANDBOOK BEGINS HERE**

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(c) Example: On Friday, when the CWD is closed, an applicant deposits an application for AFDC benefits in a mail slot designated for that purpose. The application will be date stamped with Friday's date or it will be otherwise indicated on the application that it was received on Friday, the date of application. Had the applicant made a request for Homeless Assistance, Food Stamp Expedited Services, Medi-Cal, or AFDC Immediate Need via the local telephone service on Friday, the date of application would be Friday and the application would have to be processed within established time frames.

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**HANDBOOK ENDS HERE**

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.112 "The date on which the applicant meets all eligibility conditions" means the date all linking and nonlinking factors of eligibility are met (see Section 40-107.3), even though verification or documentation of the eligibility condition is received at a later date. Technical conditions of eligibility, as specified in MPP 40-129.214, met at a later date are considered to be met on the date of application as long as they are completed by the date of authorization except for social security enumeration. Social security enumeration requirements must be met within 30 days of the application for assistance if aid is to begin on the date of application. (For social security enumeration requirements, see Section 40-105.2.)

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- (a) At the time these regulations were promulgated, social security enumeration, application for unconditionally available income (including UIB), work registration of the principal earner who is exempt from GAIN due to remoteness, work registration of the nonfederal principal earner, and cooperation with the District Attorney in accordance with MPP 43-201.1 were the only technical conditions of eligibility. If any new technical conditions of eligibility are established, this handbook section will be amended.
- (b) Example: A family applies for AFDC on April 3. The county schedules the face-to-face interview on April 10. At that time the county determines that on April 3 the applicant had \$1200 in a bank account, but on April 6 the bank account was down to \$900. The beginning date of aid for this family is April 6, since it was on that date that the family met the eligibility requirement for the AFDC Program.
- (c) Example: A family applies for AFDC on November 10. All family members meet the eligibility requirements except for the youngest child who does not have an SSN. On November 20, the CWD authorizes aid for everyone but the one child because verification of a completed application for an SSN had not been received. On December 10, the CWD received a copy of the MC 194 which indicated that an application for an SSN was completed on November 15 and is being processed. The county rescinds the denial for the child and authorizes aid effective November 10.

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.113 The beginning date of aid for each member of the AU may vary.

<b>44-317</b>	<b>BEGINNING DATE OF AID FOR NEW APPLICATIONS (Continued)</b>	<b>44-317</b>
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- (a) Example: A family applies for aid on September 1. The family consists of mother, her two children, her husband and their common child. The husband is the principal earner but does not have a connection to the labor force. The common child received three months of State-only AFDC-U within the last 12 months and will not be eligible to be aided again until September 16. All eligibility conditions were met as of the date of application. The beginning date of aid will be September 1 for mother and her two children. The husband can be aided as an essential person stepparent effective September 1. The common child will be added to the AU on September 16.
- (b) Example: Same scenario as 44-317.112(c). However, on December 20, the county receives a copy of the MC 194 which indicates that an application for an SSN was completed on December 12 and is being processed. The county authorizes aid for the youngest child beginning December 12.
- (c) Example: Mother gave birth on January 4. She was discharged from the hospital on January 7. She had not been receiving a pregnancy special need; nor did she report the birth to the county until March 9, at which time she submitted verification that her child had been enumerated at birth. The beginning date of aid for the child is March 9.

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- .114 The BDA shall be the date of application or date of eligibility, whichever is later, for persons whose eligibility determination remains pending and aid is granted to the remaining AU.
- .2 Aid Begins on a Specified Date
  - .21 For a pregnant woman with no other eligible children, the beginning date of aid shall be the date of application, providing the pregnant woman is eligible on that date.
  - .22 When the mother of a newborn is being aided as a pregnant woman in accordance with MPP 44-205.6 or is receiving a pregnancy special need payment in accordance with MPP 44-211.6 in the month of birth:
    - .221 Aid for the otherwise eligible newborn begins on the date of birth, or the date all conditions of eligibility are met, whichever is later, even though verification or documentation of the conditions of eligibility is received at a later date; and

44-317 (Cont.)	STANDARDS OF ASSISTANCE AID PAYMENTS	Regulations
<b>44-317</b>	<b>BEGINNING DATE OF AID FOR NEW APPLICATIONS (Continued)</b>	<b>44-317</b>
	.222 Aid for the otherwise eligible father begins on the date of the newborn's birth when he is living with the assistance unit on that date or the date the father meets all conditions of eligibility, whichever is later, even though verification or documentation of the conditions of eligibility is received at a later date.	
	.3 Aid is Granted on Intercounty Transfer	
	Aid is paid from the first of the month following discontinuance by the other county.	
	.4 Change in Type of Assistance	
	Aid is paid from the first of the month following the effective date of discontinuance under the previous program.	
	.5 Applicant to Leave Public Institution Where He is Ineligible --(Repealed -- Manual Letter No. 77-001)	
	.6 Intraprogram Status Changes	
	.61 Transfer from Medically Needy to AFDC Cash Grant Recipient	
	.611 The cash grant shall be paid from the date of application or date all eligibility conditions are met, whichever is later.	
	.62 Transfers Between AFDC (FG or U) and AFDC-FC	
	.621 The BDA for a child converting from AFDC-FC to AFDC-FG or U shall be the date he/she is placed in his/her parent's or relative's home or the date eligibility conditions are met, whichever is later.	
	.622 When a child in an FBU is moved to foster care, the effective date of AFDC-FC assistance is the date he/she is placed in an AFDC-FC eligible facility and is otherwise AFDC-FC eligible.	
	.623 When a child is transferring from AFDC-FC to AFDC-FG/U, or vice versa, but remains in the home of the same related caretaker, the effective date of program transfer is the first of the month following the request for change of program. (See Section 45-202.212(a).)	
	.63 Transfers from EA-UP to AFDC	
	.631 AFDC is paid beginning the day following the day on which EA-UP eligibility expires. See Section 41-500.	
	.64 Transfers from AFDC-FC to Kin-GAP	



<b>44-317</b>	<b>BEGINNING DATE OF AID FOR NEW APPLICATIONS (Continued)</b>	<b>44-317</b>
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- .641 When a child is transferring from AFDC-FC to Kin-GAP, but remains in the home of the same caretaker relative, the BDA of Kin-GAP is the first of the month following the dismissal of the dependency (see Section 90-105.132). AFDC-FC shall be paid until the Kin-GAP payment begins.
- .65 Transfers Between CalWORKs and Kin-GAP
  - .651 When a child is transferring from CalWORKs to Kin-GAP, or vice versa, but remains in the home of the same related caretaker, the effective date of the program transfer is the first of the month following the request for change of program or the dismissal of the dependency (see Section 90-105.132).
- .7 Aid Granted on Basis of Immediate Need After Determining Eligibility or Apparent Eligibility -- Has been Deleted per Manual Letter No. 79-58.
- .8 Previously Denied Application is Approved
  - .81 Aid shall be paid from the date it would have been paid in accordance with the beginning date of aid regulations in effect at the time the application was denied.
- .9 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.
- .10 Effective Date of Medical Assistance Certification
 

The effective date of the certification for Group I Medical Assistance for the applicant who has been found eligible for a cash grant is whichever of the following is later: (a) the first of the month of application, or (b) the first of the month in which there is eligibility (linkage).

NOTE: Authority cited: Sections 10553, 10554, 10604, 11209, and 11369, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10604, and 11056, Welfare and Institutions Code; 45 CFR 205.42(d)(2)(A), as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808; 45 CFR 206.10; 45 CFR 233.10(a)(1); 45 CFR 233.20(a)(1)(ii); 45 CFR 233.60; 45 CFR 233.90(c)(2)(i); and Blanco v. Anderson Court Order, United States District Court, Eastern District of California, No. CIV-S-93-859 WBS, JFM, dated January 3, 1995.

<b>44-318</b>	<b>BEGINNING DATE OF AID (BDA) FOR PERSONS BEING ADDED TO THE AU</b>	<b>44-318</b>
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- |          |                              |   |
|----------|------------------------------|---|
| .1       | Beginning Date of Aid        | The BDA shall be:   |
| (MR) .11 | Mandatorily Included Persons | Section 44-318.11(MR) shall become inoperative and Section 44-318.11(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration. |

44-318	<b>BEGINNING DATE OF AID (BDA) FOR PERSONS BEING ADDED TO THE AU (Continued)</b>	44-318
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(MR)	The date the person joins the AU or the date all eligibility requirements are met, whichever is later, for a person who is required to be included in the AU.
(QR)	When mandatorily included persons added result in a cash aid:
(QR) .111 Increase	The first of the month after the change is reported and all conditions of eligibility have been met.
(QR) .112 Decrease	The first day of the QR Payment Quarter following the required reporting of the individual on the QR 7 provided all conditions of eligibility have been met.
.12 Optional Persons	Section 44-318.12(MR) shall become inoperative and Section 44-318.12(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(MR)	The date of application or the date all eligibility requirements are met, whichever is later, for a person who has the option to be included in the AU.
(QR)	When optional persons added result in a cash aid:
(QR) .121 Increase	The first of the month after the change is reported and all conditions of eligibility have been met.
(QR) .122 Decrease	The first day of the QR Payment Quarter following the required reporting of the individual on the QR 7 provided all conditions of eligibility have been met.

<b>44-318</b>	<b>BEGINNING DATE OF AID (BDA) FOR PERSONS BEING ADDED TO THE AU (Continued)</b>	<b>44-318</b>
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.13 Sanction/  
Noncooperating Persons

Section 44-318.13(MR) shall become inoperative and Section 44-318.13(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

The date the person meets the requirement which caused that person to be excluded from the AU, or the date the person meets all eligibility conditions, whichever is later.

(QR)

The first of the month following the date the person meets the requirement which caused that person to be excluded from the AU, after all conditions of eligibility have been met (see Section 44-316.331(c)(QR)), and the minimum sanction periods in accordance with Section 42-721.43 have passed.

.14 Unreported Mandatorily  
Included Persons

Section 44-318.14(MR) shall become inoperative and Section 44-318.14(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

The date the person meets all requirements for eligibility when he/she is required to be included in the AU but aid was not requested. Eligibility conditions are considered to have been met from the date the individual was discovered in the home, providing he/she is cooperating in meeting those conditions.

(QR)

The first day of the month of the QR Payment Quarter following the quarter in which the individual was required to be reported on the QR 7 provided that the individual meets all requirements for eligibility when he/she was required to be included in the AU but was not reported on the QR 7. Eligibility conditions are considered to have been met from the first day of the QR Payment Quarter following the quarter in which the individual was discovered in the home, providing he/she is cooperating in meeting those conditions.

44-318	BEGINNING DATE OF AID (BDA) FOR PERSONS BEING ADDED TO THE AU (Continued)	44-318
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.15	Section 44-318.15(MR) shall become inoperative and Section 44-318.15(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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(MR) Newborn Child	The date of birth for a newborn child when his/her mother received pregnancy special need or the date all eligibility requirements are met, whichever is later.
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(QR) Newborn Child and MFG Child	
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(QR) .151 Newborn Child	When a newborn child is added results in a cash aid:
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(QR) (a) Increase	The first of the month after the birth is reported and all conditions of eligibility have been met (see Section 44-211.6(QR)).
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(QR) (b) Decrease	The first day of the next QR Payment Quarter after the change is reported on the QR 7 and after all conditions of eligibility have been met (see Section 44-211.6(QR)).
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(QR) .152 Newborn MFG Child	When an MFG newborn child is added results in no change or a decrease in cash aid.
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(QR) (a) No PSN/No Change	The first of the month following the report of the birth provided that all conditions of eligibility have been met and provided that the mother is not receiving a pregnancy special need payment and the grant will not decrease as a result of adding the newborn.
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(QR) (b) PSN/Decrease	The first day of the next QR Payment Quarter following the report of the birth and all verification has been provided, when the mother has been receiving a pregnancy special need payment or the grant would otherwise decrease as a result of adding the newborn.
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<b>44-318</b>	<b>BEGINNING DATE OF AID (BDA) FOR PERSONS BEING ADDED TO THE AU (Continued)</b>	<b>44-318</b>
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|-----------|---------------------|---|
| .16       | Father of a Newborn | Section 44-318.16(MR) shall become inoperative and Section 44-318.16(QR) et seq. shall become operative in a county on date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration. |
| (MR)      |                     | The date the newborn child becomes eligible, or the date the father meets eligibility conditions, whichever is later.   |
| (QR)      |                     | When a father of a newborn added, in accordance with Section 44-205.632, results in a cash aid:   |
| (QR) .161 | Increase            | The first of the month after the report of the birth and all conditions of eligibility have been met.   |
| (QR) .162 | Decrease            | The first day of the next QR Payment Quarter after the report of the birth and all conditions of eligibility have been met.   |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11056, 11265.1, 11265.2, and 11265.3, Welfare and Institutions Code; 45 CFR 233.10 and .20(a)(13); Federal Register, Vol. 57, No. 131; and SSA-AT-86-01.

<b>44-319</b>	<b>INITIAL PAYMENTS</b>	<b>44-319</b>
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- .1 Initial Payment -- Defined -- An initial payment is:
- .11 The first payment made on new applications and restorations;
  - .12 The first payment for a child transferred from a boarding home to a family budget unit;
  - .13 The first payment for the addition of a child to a family budget unit already receiving AFDC, or for the addition of a needy relative (if none has been included before) whether or not the actual payment is increased.
- .2 When Initial Payment is Made
- An initial payment shall be delivered within the month for which aid is granted or restored, or not later in the following month than the time such payment is required to be delivered in accordance with Section 45-303.1.

<b>44-319</b>	<b>INITIAL PAYMENTS (Continued)</b>	<b>44-319</b>
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.3 Retroactive Initial Payment

An initial payment includes aid for prior months if retroactive aid is authorized because:

- .31 Aid was granted on appeal to the State Department of Social Services;
- .32 The State Department of Social Services concurs in a county recommendation that retroactive aid be paid to adjust an appeal;
- .33 An application for aid has been denied and corrective action is being taken;
- .34 The investigation was not completed by the end of the month following the date on which the application was made or the end of the month following the date on which the applicant became eligible if such is later than the date of application.

<b>44-325</b>	<b>CHANGES IN AMOUNT OF PAYMENT</b>	<b>44-325</b>
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.1 When Change is Effective

Section 44-325.1(MR) shall become inoperative and Section 44-325.1(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When any change in the recipient's circumstances requires a change in grant, or a discontinuance of aid, the appropriate change or discontinuance is to be made effective as soon as proper notice can be given in accordance with Sections 22-022 and 22-021.2.

(QR) When any change in the recipient's circumstances requires a change in grant, or a discontinuance of aid, the appropriate change or discontinuance is to be made effective in accordance with Section 44-316(QR) as soon as notice can be given pursuant to Sections 22-071(QR) and 22-072(QR).

.2 Discontinuance

If a recipient's circumstances change to the extent that he no longer meets the eligibility requirements, aid shall be discontinued effective the last day of the month for which the last payment was made (see EAS Section 40-183.4 regarding appropriate action when the recipient is no longer eligible for cash grant but remains eligible for medical assistance as a medically needy person).

.3 Cancellation or Reduction of the Second Installment of a Month's Aid Payment

- .31 The second installment of a month's aid payment is normally not cancelled or reduced, except when:

<b>44-325</b>	<b>CHANGES IN AMOUNT OF PAYMENT (Continued)</b>	<b>44-325</b>
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|--|------|---|
|  | .311 | Ineligibility for the first installment was discovered too late to give proper notice under Section 22-022; or                                      |
|  | .312 | Payment of the first installment was made because the payment date was within the termination notice period. For example, see Section 41-440.71; or |
|  | .313 | An overpayment would occur if the second installment is not cancelled or decreased.   |
|  | .32  | Any cancelled or reduced payment is subject to all notice requirements as outlined in Section 22-022.   |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11006.2, 11265.1, 11265.2, and 11265.3, Welfare and Institutions Code.

<b>44-327</b>	<b>DELAYED PAYMENT</b>	<b>44-327</b>
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When a public assistance payment is delayed because of changes in circumstances not related to continuing eligibility or to the correctness of grant, the county shall immediately take whatever action is necessary to determine the changed circumstances and issue the payment at the earliest possible date.

.1 Federal and State Participation

Federal and state participation in AFDC is available for the delayed payment only if it is released within whichever of the following occurs first:

- .11 One calendar month after the county receives information upon which it can act indicating there has been a change in circumstances, or
- .12 Two months succeeding the month for which the payment was issued.

.2 Factors Causing Delay in Payment

Factors which may cause delay in payment within the meaning of this section include:

- .21 Change of address of recipient -- warrant is returned to the auditor's office and the county is so notified.
- .22 A change in payee.
- .23 A transfer of county responsibility for aid payment -- the second county inadvertently fails to begin aid on the due date and pays retroactive aid from that date.

<b>44-327</b>	<b>DELAYED PAYMENT (Continued)</b>	<b>44-327</b>
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- .24 Death of a recipient -- when reissuance of the warrant or payment is appropriate but not possible until the person entitled to the warrant or payment is determined under Probate Law, the limitations specified in .11 and .12 above are not applicable (see Handbook Section 25-520.7).
- .25 Section 44-327.25(MR) shall become inoperative and Section 44-327.25(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The complete CW 7 (see Section 40-181.241(MR)) is received after the tenth day prior to the end of the report month regardless of good cause - the first warrant shall be mailed or electronic fund transfer made in accordance with Section 44-305.231(MR).
- (QR) The complete QR 7 (see Section 40-181.241(QR)) is received after the tenth day prior to the end of the submit month regardless of good cause - the first warrant shall be mailed or electronic fund transfer made in accordance with Section 44-305.231(QR).
- .26 Electronic Fund Transfer Accounts – If the direct deposit electronic fund transfer was incomplete due to, but not limited to, closed account, the failure of the direct deposit electronic fund transfer, or the payment inadvertently went to the wrong account, the county shall immediately take whatever action is necessary at the earliest possible date.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11006.2, and 11265.1, Welfare and Institutions Code.

<b>44-340</b>	<b>UNDERPAYMENTS</b>	<b>44-340</b>
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.1 General

- .11 An underpayment shall be corrected in accordance with the regulations in effect on the date of discovery.
- .12 Underpayments occur when the applicant or recipient receives less than the amount to which he/she is entitled in a given month or months. Failure to apply for or request aid does not create an underpayment.
- .13 The county shall take all reasonable steps necessary to correct promptly any underpayment that comes to the county's attention.
- .131 Any underpayment which is due to the erroneous denial of an application for aid shall be corrected even though the applicant failed to perform an act constituting a condition of eligibility when such failure was caused by the denial. Acts which constitute conditions of eligibility shall include, but are not limited to those contained in Sections 40-105.21, 42-625, 43-106, 43-119.23, 44-103.23, and .24.



<b>44-340</b>	<b>UNDERPAYMENTS (Continued)</b>	<b>44-340</b>
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- .132 For the purpose of determining the beginning date of aid for correcting an underpayment which is due to the erroneous denial of an application, see Section 44-317.8.
- .133 Section 44-340.133(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
  - (QR) If information reported on the QR 7 results in an increase of cash aid, and the county cannot increase the grant by the first day of the month of the next QR Payment Quarter, a supplement shall be issued for that month, and cash aid increased for the remaining months of that quarter provided that the recipient reported the information timely.
- .14 Section 44-340.14(MR) shall become inoperative and Section 44-340.14(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
  - (MR) A reduced income supplemental payment which was correctly computed, based on the assistance unit's reasonable estimate of the income and other circumstances for the payment month, shall not be subject to an underpayment determination. If there is a computational error, the payment shall be corrected.
  - (QR) A mid-quarter supplemental payment resulting from a voluntary mid-quarter report which was correctly computed based on a recalculation of reasonably anticipated income and/or other changed AU circumstances shall not be considered an underpayment and is not subject to an overpayment offset.
- .2 Investigation of Underpayments
  - .21 When there is a reason to suspect that an underpayment may have occurred, the worker must investigate and determine whether an underpayment did occur.
- .3 Calculating the Underpayments

The calculation of the underpayment is as follows:

  - .31 Calculate the correct grant for each month in question, compare the correct grant to the amount actually paid to the recipient for each month; and if the amount to the recipient in any month is less than the correct grant for that month, an underpayment exists.
  - .32 Section 44-340.32(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

44-340	UNDERPAYMENTS (Continued)	44-340
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(QR) An underpayment occurs when the AU receives less cash aid than the AU was entitled to receive and would be based on regulations in effect at the time the underpayment occurred.

(QR) .321 The county shall not reconcile actual verified income against prospectively budgeted income that was used in the grant calculation as income that was reasonably anticipated at the time benefits were calculated.

.33 Section 44-340.33(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) No underpayment shall be established when a change in circumstances occurs or actual income received is less than what was reasonably anticipated during the QR Payment Quarter and the recipient did not voluntarily report the change in circumstances or the decrease of income during the QR Payment Quarter in accordance with Section 44-316.31(QR).

.4 Correction of the Underpayment

.41 Underpayments are corrected through retroactive payments.

.42 If an assistance unit has both an underpayment and an overpayment, the county shall balance one against the other before making a retroactive corrective payment.

.43 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)

.44 The month of discovery is the month in which the county obtained any information which could have reasonably led to a determination that an underpayment occurred.

.45 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)

.5 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)

.6 For purposes of determining continued eligibility and amount of assistance, retroactive payments shall not be considered as income or as a resource in the month paid nor in the next following month.

.7 Repealed by DSS Manual Letter No. EAS-89-06, effective 10/1/89.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11004.1, 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

<b>44-350</b>	<b>OVERPAYMENTS -- GENERAL</b>	<b>44-350</b>
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.1 General

- .11 Any overpayment which occurred prior to April 2, 1982 and which is determined to be nonwillful, in accordance with regulations in effect during the month that the overpayment occurred, shall not be recouped except through voluntary repayment.
- .12 For any willful overpayment which was discovered prior to April 2, 1982 and the maximum adjustment period had not expired prior to April 1982, adjustment shall be continued as long as necessary to recover the overpayment.
- .13 For any overpayment, except those described in 44-350.11, which is discovered on or after April 2, 1982, the overpayment shall be recouped in accordance with regulations in effect on the date of discovery.
- .14 When the overpayment is determined to be due to excess property, the overpayment is to be recouped in accordance with the regulations in Section 44-352.11.
  - .141 For cases in which an overpayment caused by excess property was recouped under former MPP Section 44-352.11, which was effective on April 2, 1982, the county shall take the following steps:
    - (a) Recompute the overpayment in accordance with the April 1986 amendments to Section 44-352.11;
    - (b) Determine if the revised overpayment is less than the overpayment computed under the April 2, 1982 regulations.
    - (c) If the revised overpayment is less, issue a payment to correct the underpayment for any amount which has actually been recouped which exceeds the revised overpayment amount.

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Note: In accordance with the Edwards v. McMahon final court order, payments are to be issued to correct underpayments even when the family is not currently aided.

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<b>44-350</b>	<b>OVERPAYMENTS -- GENERAL (Continued)</b>	<b>44-350</b>
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- .142 The case review, recomputation, and correction of any underpayments shall be completed as soon as possible and not later than the deadlines set forth below:
- (a) The date of the next annual redetermination of eligibility or the date of termination, whichever is earlier, for all current recipients on the effective date of this regulation;
  - (b) Sixty days from the date aid is granted for reapplications and requests for restoration of aid within one year of the effective date of this regulation;
  - (c) Sixty days from the date of a request for review in all other cases.
- .15 An overpayment is any amount of any aid payment an AU received to which it was not eligible. An overpayment may be all or a portion of an aid payment. This includes, but is not limited to, an immediate need payment, a special need payment or aid paid pending a state hearing.
- .151 An overpayment shall not include aid paid where all four of the following prerequisites are met:
- (a) An applicant or recipient fails to perform an act constituting a condition of eligibility for aid. Acts which constitute conditions of eligibility shall include, but are not limited to those contained in Sections 40-105.21, 42-625, 43-106, 43-119.23, 44-103.23, and .24.
  - (b) The applicant's/recipient's failure to perform an act constituting a condition of eligibility is caused by a state agency error or by a County Welfare Department (CWD) error, and not by an applicant/recipient error.
    - (1) "State agency error," for purposes of this section is the agency's failure to promptly notify the CWD that the applicant/recipient does not or no longer meets a specific condition of eligibility.

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- (A) For example: EDD fails to notify the CWD that an applicant/recipient has been deregistered from Job Services (JS).

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<b>44-350</b>	<b>OVERPAYMENTS -- GENERAL (Continued)</b>	<b>44-350</b>
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- (2) "CWD error," for purposes of this section, is the CWD's failure to inform an applicant/recipient that he/she must perform an act which constitutes a condition of eligibility.
- (3) "Applicant or recipient error," for purposes of this section, shall occur only when the applicant or recipient was notified, either verbally or in writing, of the need to perform the act which constitutes a condition of eligibility and did not perform the act in question after notification, within a reasonable period of time under the circumstances.

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- (A) For example, where a child becomes six years old on April 6 and the CWD informs the parent of the requirement to WIN register on July 12, the parent's failure to WIN register in July would probably be a "recipient error" and, therefore, cause an overpayment for July. However, if the parent is informed of the WIN registration requirement on July 29, a failure to register within that month would probably not be a "recipient error" and there would be no overpayment for July because the recipient did not have a reasonable period of time to WIN register before the end of the month. In either case, there is no overpayment for April, May and June.

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- (c) The amount of aid paid would have been the same had the act constituting the condition of eligibility been performed.
  - (d) The state agency or CWD error is discovered or an overpayment is being calculated or an overpayment is being recouped on or after January 1, 1985.
- .16 The county shall take all reasonable steps necessary to promptly correct and collect any overpayments that are known to the county including recovery of overpayments due to either applicant/recipient and/or county administrative errors, with the following exceptions:
- .161 The county shall not demand collection of nonfraudulent overpayments totaling less than \$35 from individuals no longer receiving aid. Where the nonfraudulent overpayment amounts owed by the individuals no longer receiving aid is \$35 or more, the county shall send a demand notice for repayment. No further collection efforts shall be made if the county determines that the cost to collect the overpayment exceeds the amount to be recovered.

<b>44-350</b>	<b>OVERPAYMENTS -- GENERAL (Continued)</b>	<b>44-350</b>
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- (a) Counties shall maintain information regarding the uncollected overpayments to enable recoupment should any individuals from the prior overpaid AU reapply.
- (b) Costs which counties shall consider when determining the cost effectiveness to collect are total administrative and personnel costs, legal filing fees, investigative costs, and any other costs which are applicable.

.162 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

.17 Section 44-350.17(MR) shall become inoperative and Section 44-350.17(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A reduced income supplemental payment which was correctly computed, based on the assistance unit's reasonable estimate of the income and other circumstances for the payment month, shall not be subject to an overpayment determination. If there is a computational error, the payment shall be corrected.

(QR) A supplemental payment which was correctly computed, based on the county's determination of reasonably anticipated income, shall not be subject to an overpayment determination provided that the recipient's report, upon which the county based its determination, was complete and accurate. If there is a computational error, the supplemental payment shall be corrected.

.2 Definitions (in Alphabetical Order)

- a) Action for Civil Judgment - The action taken by the appropriate county official to take the recipient or former recipient to court.
- b) Administrative Error Overpayment - Except as provided in Section 44-350.151, an overpayment caused by error on the part of the county when all information necessary to a correct determination of the grant was in the possession of the county.
- c) Aid - The amount of assistance issued to a recipient.
- d) Balancing - A method for the recovery of all or a portion of an overpayment by applying it against a repayable underpayment.
- e) Demand for Repayment - The notification to a recipient or former recipient that an overpayment occurred for which there is a right for judicial restitution. Where demand for repayment is appropriate, it may be used concurrently with other methods of adjustment.

<b>44-350</b>	<b>OVERPAYMENTS -- GENERAL (Continued)</b>	<b>44-350</b>
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- f) Grant Adjustment - Recovery of an overpayment by reducing the grant of a presently eligible individual or family.
- g) (Reserved)
- h) (Reserved)
- i) Month of Discovery - The month of discovery is the month in which the county obtained, or could have obtained by taking prompt action, information sufficient to support a determination both that an overpayment occurred and the amount of such overpayment.
- j) Nonfraudulent Overpayment - An overpayment which is not determined to be fraudulent pursuant to MPP 20-003.1.

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MPP 20-003.1 provides that fraud exists when a person, on behalf of himself or others, has:

- (1) Knowingly and with intent to deceive or defraud made a false statement or representation to obtain benefits, obtain a continuance or increase of benefits, or avoid a reduction of benefits.
- (2) Knowingly and with intent to defraud failed to disclose a fact which, if disclosed, could have resulted in denial, reduction, or discontinuance of benefits.
- (3) Accepted benefits knowing he/she is not entitled thereto, or accepted any amount of benefits knowing it is greater than the amount to which he/she is entitled.
- (4) For the purpose of obtaining, continuing, or avoiding a reduction or denial of benefits, made statements which he/she did not know to be true with reckless disregard of the truth.

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- k) Recovery - Grant adjustment, voluntary grant offset, voluntary cash recovery, demand for repayment, action for civil judgment and balancing.

<b>44-350</b>	<b>OVERPAYMENTS -- GENERAL (Continued)</b>	<b>44-350</b>
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- l) Unlocatable - Means either of the following:
  - (1) When the county is unable to determine the physical whereabouts of the caretaker relative; or
  - (2) When the county is able to locate the caretaker relative, but unable to execute a legal process to collect.
- m) Voluntary Cash Recovery - Repayment voluntarily made to the county by a recipient who has incurred an overpayment.
- n) Voluntary Grant Offset - Voluntary repayment made to the county by a recipient's foregoing all or a portion of a grant for which he or she is eligible.

**.3 Investigation of Overpayments**

When information indicates that an overpayment may have occurred, the county shall take the following actions:

- .31 Review the eligibility and grant factors to find what the correct grant amount should have been;
- .32 Calculate the overpayment;
- .33 Determine from whom the overpayment may be recovered (see Section 44-352.3);
- .34 Determine the appropriate recovery method and the amount to be recovered.
- .35 If appropriate (see Section 44-352.5), initiate any referrals to the SIU for an investigation.

**.4 Aid Paid Pending**

Aid paid pending a state hearing decision (see Section 22-022) is a recoverable overpayment except to the extent that the claim is granted. However, the amount of a proposed overpayment adjustment which is stopped because of a recipient's timely request for a state hearing is not an overpayment.



**44-350 OVERPAYMENTS -- GENERAL (Continued)****44-350**

- .5 Section 44-350.5(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Overpayments Due to the Inability to Provide Ten-Day Notice of Adverse Action

An overpayment shall be assessed when the AU receives more cash aid than the AU was entitled to receive because the county was unable to provide ten-day notice of an adverse action following receipt of a mandatory recipient report, including the QR 7.

- .6 Section 44-350.6(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) When Overpayments Will Not Be Assessed

An overpayment shall not be assessed based on any differences between the amount of income the county reasonably anticipated the recipient would receive during the QR Payment Quarter and the income the recipient actually received during that period, provided the recipient's reports were complete and accurate.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11004 (Ch. 270, Stats. 1997), 11004.1, 11056, and 11265.1, Welfare and Institutions Code; Section 37 of AB 444 (Ch. 1022, Stats. 2002); 45 CFR 233.20(a)(13); and Administration for Children and Families (ACF) Action Transmittals (AT) 94-11 and 94-20.

**44-351 METHODS OF OVERPAYMENT RECOVERY****44-351**

In addition to grant adjustment and demand for repayment which are discussed in Section 44-352.4 the following methods of recovery apply to all overpayments:

.1 Voluntary Cash Recoveries

Voluntary cash recovery should be explained by the county to a recipient (or former recipient) but no request for voluntary payment should be made.

- .11 If a recipient or former recipient offers to repay all or a portion of an overpayment which is not subject to grant adjustment or a demand for repayment and action for civil judgment, the following apply:

<b>44-351</b>	<b>METHODS OF OVERPAYMENT RECOVERY (Continued)</b>	<b>44-351</b>
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- .111 An agreement made with the recipient shall be in writing and shall clearly indicate to the individual that the repayment is voluntary.
- .112 The recipient is not required to fulfill any voluntary agreement he/she enters into and may suspend at any time payments he or she has agreed to make.

.2 Voluntary Grant Offset

Voluntary grant offset should be explained by the county to those recipients who have available income and resources when the overpayment could not be recovered in the appropriate adjustment period. However, no request may be made for voluntary repayment.

- .21 If the recipient offers to repay the remaining overpayment by foregoing all or a portion of a grant to which he or she is eligible, the following apply:

- .211 The county shall obtain in writing an agreement to repay. Such agreement shall clearly indicate to the individual that repayment is voluntary.
- .212 The recipient is not required to fulfill any agreement he/she enters into and may request payment of the full grant to which he/she is eligible at any time.

.3 Balancing

When an assistance unit has both an overpayment and an underpayment, the county shall offset one against the other.

<b>44-352</b>	<b>OVERPAYMENT RECOUPMENT</b>	<b>44-352</b>
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.1 Calculation of the Overpayment

When it is determined that an overpayment exists, calculate the amount of the overpayment and determine the appropriate methods of recovery.

.11 Overpayment due to "excess property"

- .111 Section 44-352.111(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

**44-352 OVERPAYMENT RECOUPMENT (Continued)****44-352**

(QR) Excess property overpayments shall be assessed based on information that should have been reported on the QR 7. If an AU held excess property in the QR Data Month and failed to report it on the appropriate QR 7 or if the county failed to act correctly on the QR 7, the county shall determine the overpayment based on an accurate report and/or correct county action. Also see Section 40-125.951(QR).

.112 When a recipient has held property in excess of eligibility limits, the overpayment shall be calculated as follows:

(a) Determine the period of time in which the recipient held property exceeding the property maximums.

(1) For the purposes of this section, the period that the recipient held excess property includes all months in which the total property value of the same items of property exceeds limits on the first day of the month, even though there may be intervening months in which the total property value is below limits. Fluctuations in the value of individual items of property shall not affect the determination of the period of time that the recipient held excess property, so long as the same items of property are included in the total property valuation. If the recipient disposes of an item of property or acquires an item of property, a new period begins and separate calculation is required.

(b) Determine the month within the period in which the property value, on the first day of the month, was the highest and calculate the amount by which the property exceeded the eligibility limit.

(c) Calculate the total amount of aid actually paid to the recipient during the months excess property was held, subtracting any money, excluding child support recoupment, received by the county which was credited against the aid payment for those months.

(d) Determine whether the recipient received aid in "good faith". The determination of "good faith" receipt of aid shall be based on a preponderance of evidence establishing that the recipient believed himself/herself to be eligible to the aid received. The county shall consider information in the case record and all other available information, including an interview with the recipient if he/she is available and willing to cooperate. The determination of "good faith" receipt of aid shall be reasonable, objective, and drawn from all available information.

**44-352 OVERPAYMENT RECOUPMENT (Continued)****44-352**

- (1) The county shall not determine that a recipient has received aid in "good faith" in cases where the county has informed the recipient of his/her reporting responsibilities and, under the circumstances, the recipient knew of his/her reporting responsibilities and failed to report within his/ her competence. See Section 40-105.

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- (A) The following are examples of questions to be considered in making the determination. Not all questions necessarily apply in all situations.

1. How was the recipient informed of his/her reporting responsibilities? E.g., Mass Mailing? Personal Intake Interview? Home Visit? Never?
2. Is there information in the case record which indicates the recipient's apparent understanding of his/her reporting requirements with regard to property?
3. What is the recipient's history of reporting?
4. Did the recipient know the value of the property in question?
5. Did county actions contribute to the situation causing the overpayment?
6. Is there other information about the recipient's situation that would have an influence on the determination (i.e., language/age barrier)?

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## 44-352 OVERPAYMENT RECOUPMENT (Continued)

44-352

- (e) If the county determines that the recipient received aid in "good faith", in accordance with .112(d) above, the amount of the overpayment is the lesser of the amount of excess property calculated in .112(b) above or the total grant paid as calculated in .112(c) above.

**HANDBOOK BEGINS HERE**

- (1) Recipient owned several stocks which fluctuated in value. At the time of her eligibility determination in January the combined value of her property, including stocks, was computed to be \$1,850. She was granted aid of \$100 per month. At her redetermination the following January, her property was investigated in detail. It was found that twice during the prior year her total property value had exceeded the property limit, both times due to fluctuations in stock value. In March, her total property was worth \$2,075 and in July worth \$2,010. Because the overpayment was caused by the same property in both cases, the two ineligible months, although not consecutive, are considered one "period".

The total grant paid for the ineligible months is \$200. The amount by which the excess property exceeded the property limit in the month the property value was the highest is \$75. The overpayment to be recouped is the lesser amount, in this case \$75.

**HANDBOOK ENDS HERE**

- (f) If the county determines that the recipient did not receive aid in "good faith", the amount of the overpayment shall be the total grant paid during the month(s) the excess property was held, as calculated in .112(c) above.

.12 Overpayment due to income or need or circumstances other than excess property.

Section 44-352.12(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (QR) An overpayment shall be assessed when an AU receives more cash aid than entitled to as a result of not reporting income or circumstances timely, or the county does not act correctly on a recipient report, or the county did not act timely. The county shall redetermine the cash aid the recipient should have received based on the required report and correct county action.

**44-352 OVERPAYMENT RECOUPMENT (Continued)****44-352**

- .121 Compute the correct grant amount based on correct information for the month involved in the overpayment. If the recipient was totally ineligible for that month, the correct grant amount is zero (0).

In this computation, allow all income disregards which would have been allowed if the grant had been computed correctly. The regulations in effect at the time the overpayment occurred shall be used to determine the correct amount of the grant, with the following exceptions:

- (a) Regulations subsequently invalidated by a court decision shall not be used in determining the correct grant for the applicable period(s) as required by the court decision. Instead, the instructions (e.g., All-County Letter, regulations, etc.) implementing the court decision shall be used.
- (1) Sections 44-352.121(a)(1)(QR) and (2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to Director's QR/PB Declaration.
- (QR) If a recipient fails to report income timely or the county fails to act correctly or timely on a recipient report, the county shall redetermine the cash aid the recipient should have received based on an accurate report and correct county action. If the recalculation results in an overpayment, the date that the overpayment begins is the first date that the change would have been made if timely and correct action had been taken based on the complete, timely and accurate recipient report.
- (QR) (2) When recomputing cash aid results in an overpayment, the county shall recreate case circumstances using the correct county processing time frames based on what the recipient should have reported.

<b>44-352</b>	<b>OVERPAYMENT RECOUPMENT (Continued)</b>	<b>44-352</b>
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Handbook Section 44-352.121(a)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to Director's QR/PB Declaration.

- (QR) In the quarter designated as October/November/December 2004, the county determines through an IEVS match that an AU had income that exceeded the IRT early January 2005 (January 5). (The quarter in which the income was received was January/February/March). The AU is still receiving the same level of income in the current July/August/September 2005 quarter and has never reported the income in a mid-quarter report or on any of the QR 7s that have been submitted. The county determines that the AU should have reported this change by January 15, and should have been discontinued due to financial ineligibility effective January 31. An overpayment would be established beginning February 1.

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- (b) If the overpayment occurred prior to January 1, 1998, and if the overpayment is due to any earned income that the recipient failed, without good cause, to report timely, no earned income disregards shall be allowed for that individual in that month.

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Earned income disregards in effect prior to January 1, 1998 were: 1) \$90 standard work expense disregard, 2) \$30 and 1/3 earned income disregard, 3) extended \$30 income disregard, and 4) child and dependent care disregard (\$200 per month for children under 2 and \$175.00 per month for older children and other dependents).

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- .122 Subtract the correct grant amount from the amount of aid actually paid.
- .123 Subtract any money, excluding child support recoupment, received by the county and credited against the aid payment from the aid actually paid.
- .124 The total overpayment for each month is the lesser of the amount computed in Sections 44-352.122 or .123.
- .125 The total overpayment is the sum of all amounts calculated in Section 44-352.124.

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EXAMPLES

<u>Factors</u>		<u>Computations</u>	
		(.121) Correct <u>Grant</u>	(.122) Potential/Actual <u>Overpayment</u>
1.	Earned Income	\$1,025	
	Reported Income	1,025	
	Income Disregard	<u>- 225</u>	
	Subtotal	800	
	50% Earned Income Disregard	<u>- 400</u>	
	Total Net Nonexempt Income		
	400		
	MAP for Five	\$ 767	
	Total Net Nonexempt Income	<u>- 400</u>	
	Aid Payment	\$ 367	
	Potential Overpayment (Aid Paid Less Correct Grant)		\$ 767 <u>- 367</u> \$ 400
	Support Payment (.123)	\$100	
	Unreimbursed Grant (Aid Paid Less Support Payment)	\$667	
	Actual Overpayment (Lesser of Unreimbursed Grant or Potential Overpayment)		\$ 400

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**HANDBOOK CONTINUES**

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**HANDBOOK CONTINUES**

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EXAMPLES

<u>Factors</u>		<u>Computations</u>	
		(.121) <u>Correct</u> <u>Grant</u>	(.122) <u>Potential/Actual</u> <u>Overpayment</u>
2.	Earned Income	\$ 500	
	Reported Income	\$ 500	
	Income Disregard	- 225	
	Subtotal	275	
	50% Earned Income Disregard	- 138	
	Total Net Nonexempt Income	137	
	MAP for Three	\$ 565	
	Total Net Nonexempt Income	- 137	
	Aid Payment	428	
	Potential Overpayment (Aid Paid Less Correct Grant)		\$ 565 -428 \$ 137
	Support Payment (.123)	\$500	
	Unreimbursed Grant (Aid Paid Less Support Payment)	\$65	
	Actual Overpayment (Lesser of Unreimbursed Grant or Potential Overpayment)		\$ 65

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<b>44-352</b>	<b>OVERPAYMENT RECOUPMENT (Continued)</b>	<b>44-352</b>
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.2 Amount That Can Be Recovered

The amount that can be recovered is the total amount calculated under 44-352.11 or 44-352.12, with the following exceptions:

.21 Collection of overpayments shall not be demanded from any individual of the overpaid AU no longer receiving aid when:

.211 The overpayments are nonfraudulent; and

.212 The total amount of the overpayments is less than \$35.

.22 Where the nonfraudulent overpayments owed by any individual no longer receiving aid totals \$35 or more, the county shall send a demand notice for repayment. No further collection efforts shall be made if the county determines it is not cost effective to collect the overpayment (see MPP 44-350.161[b]).

.3 Priority Order For Overpayment Recoupment

Overpayments shall be recouped in the following priority order unless specifically exempted under Section 44-352.2.

.31 Caretaker Relative Recipient

When the caretaker relative was a member of the AU at the time of the overpayment, the county shall first seek recoupment from the caretaker relative recipient.

.311 Recovery

The county shall continue to seek recovery of the overpayment from the caretaker relative even when he/she:

(a) Moves to another AU, or

(b) Is no longer on aid.

.312 Members of the AU

The county shall only initiate recovery of the overpayment from the other members of the overpaid AU after all efforts to collect from the caretaker relative recipient have been exhausted, and the caretaker relative recipient:

<b>44-352</b>	<b>OVERPAYMENT RECOUPMENT (Continued)</b>	<b>44-352</b>
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- (a) Dies and the county cannot collect the entire unpaid balance of the overpayment from the caretaker relative's estate; or
- (b) Is unlocatable; or

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- (1) In locating former recipients who have outstanding overpayments, appropriate data sources include, but are not limited to: State Employment Insurance Records; State Department of Revenue Records; State Department of Motor Vehicle Records; and Payment Verification System.

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- (c) Has the overpayment discharged in bankruptcy; or
- (d) Is no longer on aid; the overpayment is less than \$35 pursuant to Section 44-352.211, and there are other members of the overpaid AU who remain on aid; or
- (e) Is no longer on aid, and the county has determined that it is not cost effective to collect the overpayment from the caretaker relative pursuant to Section 44-352.22.

**.32 Unaided Caretaker Relative**

When the caretaker relative was not a member of the AU at the time of the overpayment, the county shall seek recovery from the members of the overpaid AU as specified under Section 44-352.33.

**.33 Recovery from AU Members**

There shall be no priority order in seeking collection of the overpayment from members of the overpaid AU who were not the caretaker relative.

**.331 Sequential/Concurrent**

Collection may occur in sequence against any one member at a time or concurrently from any of the members, when in separate AUs or when not receiving aid.

**.4 Methods of Recovery**

All of the following methods may be used concurrently. However, those methods should be used that will result in the maximum recovery.

<b>44-352</b>	<b>OVERPAYMENT RECOUPMENT (Continued)</b>	<b>44-352</b>
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.41 Grant Adjustments

Section 44-352.41(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(QR) Under QR/PB, recoupment by grant adjustment shall only be initiated at the beginning of a QR Payment Quarter. Grant adjustment shall be discontinued mid-quarter when the debt is paid in full. A new overpayment collection may continue mid-quarter by grant adjustment if the new collection of the overpayment does not decrease aid mid-quarter.

.42 If the overpayment is to be recovered by grant adjustment, the following method shall be used:

.421 Agency Error

For overpayments caused by agency error,

- (a) The AU's adjusted grant amount is the AU's computed grant amount for the payment month minus 5% of the MAP amount for the AU rounded to the next lower dollar.

.422 Other

For all other overpayments,

- (a) The AU's adjusted grant amount is the AU's computed grant amount for the payment month minus 10% of the MAP amount for the AU rounded to the next lower dollar.

.423 Step Five

The overpayment shall be adjusted from the current aid payment. The adjustment shall be the lesser of the following:

- (a) The overpayment balance, or  
(b) The maximum adjustment amount, or  
(c) The current aid payment.

.424 Step Six

Any remaining overpayment balance shall be applied to succeeding months and the adjustment process shall be repeated.

<b>44-352</b>	<b>OVERPAYMENT RECOUPMENT (Continued)</b>	<b>44-352</b>
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| .43 Balancing - See Section 44-351.3.

| .44 Demand for Repayment

Using the appropriate Notice of Action form, the county shall demand repayment of any amount not recovered by grant adjustment, or otherwise repaid, except that no demand shall be made for nonwillful overpayment due to factors other than excess property that occurred prior to April 2, 1982.

| .45 Civil Judgment

| .451 If the recipient or an individual no longer receiving aid refuses or is unable to repay the amount demanded, the county shall refer the case to the appropriate county official for action on a civil judgment, unless specifically exempted under MPP 44-352.2.

(a) An abstract of civil judgment shall be recorded pursuant to Section 674, Code of Civil Procedure, in any county in which the recipient or former recipient owns real property.

(b) If a recipient is ineligible for further aid due to current income, property or other factors affecting eligibility, the county shall take all appropriate action pursuant to Section 681, et seq., Code of Civil Procedure, to execute the judgment.

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(c) Except that if the recipients' sources of income include Social Security or SSI/SSP benefits, these benefits are exempt from collection and will not be used to repay an overpayment unless agreed to by the client.

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| .46 Nothing in .44 or .45 above shall preclude the county from arriving at a reasonable settlement of its demand for repayment with the recipient or former recipient.

| .47 Voluntary Cash Recovery - See Section 44-351.1.

| .48 Voluntary Cash Offset - See Section 44-351.2.

<b>44-352</b>	<b>OVERPAYMENT RECOUPMENT (Continued)</b>	<b>44-352</b>
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.5 Referral to Special Investigative Unit (SIU).

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.51 Chapter 20-000 through 20-009 discusses referrals to the Special Investigative Unit and referrals to law enforcement officials. Chapter 20-350 discusses referrals made in cases of alleged IPV.

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.511 All overpayments determined to be caused by an applicant's or recipient's failure to report information shall be referred to the SIU, including overpayments caused by an alleged IPV.

.52 The Determination of Failure to Report.

.521 A failure to report occurs when the recipient has:

- a. Made oral or written misstatements in response to oral or written questions from the county or state concerning his/ her income, resources or other circumstances which may affect the eligibility or grant amount; or
- b. Failed to report changes in income, resources or other circumstances which may affect the amount of the grant; or
- c. Failed to report receipt of a grant amount which he/she knew represented an erroneous payment.

NOTE: Authority cited: Sections 10553, 10554, and 11004(h), Welfare and Institutions Code. Reference: Sections 10553, 10554, 11004, 11004.1, 11008 (Ch. 270, Stats. 1997), 11017, 11155, 11155.1, 11155.2, 11257, 11265.1, 11265.2, 11450, 11450.5, 11451.5, 11452, 11453, and 11453.2, Welfare and Institutions Code; Darces v. Woods (1984) 35 Cal.3rd 871:201 Cal.Rptr. 807, and Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995.

<b>44-353</b>	<b>OVERPAYMENTS TO SPONSORED ALIENS</b>	<b>44-353</b>
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Repealed by CDSS Manual Letter No. EAS-01-01, effective 1/8/01.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11056 and 11008.13, Welfare and Institutions Code; 8 U.S.C. 1183a; and 8 CFR 213a.

<b>44-355</b>	<b>MANDATORY INCLUSION OVERPAYMENT/UNDERPAYMENT</b>	<b>44-355</b>
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- |      |  |  |
|------|--|--|
| .1   | Mandatory Person -<br>Presence Unknown | The county shall complete the following when a person required to be included in the AU is discovered in the home.   |
| .11  | Reinform AU                            | Upon discovery, reinform the AU in writing that the discovered person is required to be included on the appropriate Statement of Facts. The reinforming date is the date the reinforming notice is mailed. |
| .12  | Retroactive Period                     | The period beginning with the date the person was required to be included in the AU and ending with the date the AU was reformed.  |
| .13  | Redetermine Eligibility                | Redetermine the eligibility of the AU for each month the person was required to be included in the AU but was not included.  |
| .131 | Income/Resources                       | Include the person's income and resources.   |
| .132 | Needs                                  | Include the person's needs.  |
| .14  | Recompute Grant                        | For the period specified in Section 44-355.12, recompute the grant for the AU.   |
| .141 | Income                                 | Include the person's income and resources.   |
| .142 | Needs                                  | Include the person's needs.  |
| .15  | Recover Overpayment                    | Initiate recovery of an overpayment as specified in Section 44-352 for any month in which aid was overpaid.  |

44-355 (Cont.)	STANDARDS OF ASSISTANCE AID PAYMENTS		Regulations
44-355	MANDATORY INCLUSION OVERPAYMENT/UNDERPAYMENT (Continued)		44-355
	.16 Correct Underpayment	Correct an underpayment as specified in Section 44-340 for any month in which aid was underpaid. Payment shall be made only for months in which all technical conditions of eligibility, as defined in Section 44-317.112(a), are met. Technical conditions of eligibility are considered to be met as of the date the person who was required to be included in the AU provided:	
	.161 Cooperates	The person is cooperating in meeting those conditions and	
	.162 Reporting Responsibilities	The caretaker relative has fulfilled his/her reporting responsibilities with regard to making timely and accurate reports of AU composition in accordance with Section 40-105.14.	
	.2 Current Eligibility	Redetermine eligibility for the AU as of the date the AU was reformed in accordance with Section 44-355.11 that the additional person is required to be in the AU. Use the additional person's income, resources and needs when making this redetermination.	

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11056, Welfare and Institutions Code; 45 CFR 233.20(a)(13); and SSA-AT-86-01.



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**STANDARDS OF ASSISTANCE  
HARDSHIP SUPPLEMENTAL PAYMENTS**

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**CHAPTER 44-400 HARDSHIP SUPPLEMENTAL PAYMENTS**

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<b>44-400</b>	<b>REDUCED INCOME SUPPLEMENTAL PAYMENTS</b>	<b>44-400</b>
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Section 44-400(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) .1 Definitions

(MR) (a) "Reduced Income Supplemental Payment" means a payment issued to help maintain an AFDC assistance unit during the time it takes for the assistance payment to reflect a change in income. Reduced income supplemental payments are made to assistance units which experience a decrease or termination of reported income, as defined in MPP Section 44-402.22(MR), which leaves the assistance unit needy as a result of the time lag inherent in the retrospective budgeting process. New or increased allowable disregard amounts in the reduced income supplemental payment month may result in eligibility for a reduced income supplemental payment.

(MR) (b) "Reduced Income Supplemental Payment Month" means the month in which the reduced income supplemental payment is requested and for which eligibility for the reduced income supplemental payment exists.

(MR) (c) "Net available income" means the actual income, including the retrospectively budgeted grant, available to the assistance unit for living expenses in the Reduced Income Supplemental Payment Month. See Section 44-402.2(MR).

(MR) .2 General

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(MR) .21 There is no federal financial participation available for Reduced Income Supplemental Payments.

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NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 37 of AB 444 (Chapter 1022, Statutes of 2002).

<b>44-401</b>	<b>ELIGIBILITY FOR A REDUCED INCOME SUPPLEMENTAL PAYMENT</b>	<b>44-401</b>
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Section 44-401(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) .1 An assistance unit shall not be eligible for a reduced income supplemental payment if the assistance unit's total estimated net nonexempt income for the reduced income supplemental payment month is the same as, or greater than, the total net nonexempt income budgeted from the corresponding budget month.

<b>44-401</b>	<b>ELIGIBILITY FOR A REDUCED INCOME SUPPLEMENTAL PAYMENT</b>	<b>44-401</b>
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| (MR) (See Section 44-113 for computation of net nonexempt income.)

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.11 Repealed by Manual Letter No. EAS-87-03, effective May 13, 1987.

| (MR) .2 An assistance unit shall be eligible for a reduced income supplemental payment if its estimated net nonexempt income for the reduced income supplemental payment month is lower than its reported net nonexempt income in the corresponding budget month and if the following conditions are met:

| (MR) .21 The assistance unit is eligible for AFDC in the reduced income supplemental payment month or the assistance unit is in a month of suspension resulting from the receipt of income.

| (MR) .22 The estimated net available income for the reduced income supplemental payment month is less than 80 percent of the MAP for the assistance unit.

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| (MR) (See Section 44-402.2(MR) regarding net available income.)

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| (MR) .23 The assistance unit has requested the reduced income supplemental payment in the same month in which eligibility for the reduced income supplemental payment exists. The month in which eligibility exists is the reduced income supplemental payment month.

| (MR) .231 The assistance unit shall use the AFDC Reduced Income Supplemental Payment Request form (CA 40) to request the reduced income supplemental payment.

| (MR) .232 The date of receipt of the CA 40 shall be determined as follows:

| (MR) (a) If the recipient hand-delivers the CA 40 to the CWD, the date the CWD receives the request shall constitute the date the request is made.

<b>44-401</b>	<b>ELIGIBILITY FOR A REDUCED INCOME SUPPLEMENTAL PAYMENT</b>	<b>44-401</b>
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(Continued)

(MR) (b) If the CA 40 is mailed, the date of postmark shall constitute the date the request is made. When the postmark is illegible and the CWD receives a CA 40 for a reduced income supplemental payment for the current month, the CWD shall presume, in the absence of other evidence, that such request was made during the current month if the CA 40 is dated in the current month. When the postmark is illegible and the CWD receives a CA 40 for the prior month, the CWD shall presume that the recipient made a request during the prior month if the CA 40 is received by the CWD by the second postal delivery day of the current month and the CA 40 is dated in the prior month.

(MR) .233 Such a request shall provide the CWD with the following information:

(MR) (a) All information necessary for the CWD to estimate the reduced income supplemental payment month's income and circumstances, to the extent that the recipient is able to provide such information.

(MR) (b) Adequate verification of the expected drop in income, if available to the recipient; if unavailable, the recipient shall authorize the CWD to obtain verification. Where verification is unobtainable, the CWD may accept the declaration in (c) below in lieu of verification.

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(MR) (See Section 40-157.2 for more detail on procedures for gathering evidence.)

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(MR) (c) A declaration under penalty of perjury that, to the best of the recipient's knowledge, the information provided is true and correct. The Reduced Income Supplemental Payment Request form (CA 40) shall be sufficient for this purpose.

(MR) .3 Eligibility for a reduced income supplemental payment shall be determined for each request.

(MR) .4 No more than one reduced income supplemental payment per month may be granted to an assistance unit even if the actual net available income is lower than estimated. However, if there is an error in the computation of the net available income, the reduced income supplemental payment shall be corrected.

(MR) .5 If a reduced income supplemental payment is granted in a suspense month because of a significant drop in the family's income, aid payments for the two months following the suspension shall be computed using prospective budgeting.

<b>44-401</b>	<b>ELIGIBILITY FOR A REDUCED INCOME SUPPLEMENTAL PAYMENT</b>	<b>44-401</b>
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| (MR) (See Section 44-315.63.)

| (MR) .51 In these circumstances, a reduced income supplemental payment would not be made in the month following the suspension.

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| (MR) .6 No reduced income supplemental payment shall be made to any assistance unit when such payment would be counted as income under the federal AFDC program.

| (MR) .7 The needs of any person who has been excluded from the assistance unit shall not be considered when computing the reduced income supplemental payment for the remaining eligible members of the assistance unit.

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| (MR) For example, see MPP Section 43-107.47.

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| NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 37 of AB 444 (Chapter 1022, Statutes of 2002).

<b>44-402</b>	<b>COMPUTATION OF A REDUCED INCOME SUPPLEMENTAL PAYMENT</b>	<b>44-402</b>
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| Section 44-401(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

| (MR) .1 A reduced income supplemental payment shall equal the difference between 80 percent of the AU MAP level minus the family's available net nonexempt income estimated for the reduced income supplemental payment month.

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| (MR) .11 See Section 44-315.311 for the current 80% of MAP amounts.

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| (MR) .12 When the subtraction of the net available income from 80 percent of the MAP level results in zero or less than zero, there shall be no reduced income supplemental payment.

**44-402      COMPUTATION OF A REDUCED INCOME SUPPLEMENTAL PAYMENT      44-402**  
(Continued)

- (MR) .2      Net available income is determined by adding the retrospectively budgeted grant amount as described in Section 44-402.21(MR) to the estimated other available income, as described in Section 44-402.22(MR).
- (MR) .21      The total grant amount, in accordance with Section 44-315.43, retrospectively budgeted from the budget month to the payment month, that the assistance unit would otherwise receive with the following exceptions:
- (MR) .211      Special needs shall not be considered part of the grant amount for the payment month. This includes recurring special needs, nonrecurring special needs and the pregnancy special need payment.
- (MR) .212      The amount that would otherwise be adjusted to recover an overpayment shall not be considered when considered the amount for the payment month.

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- (MR)      Note: Any overpayment recoupment that was based on retrospectively budgeted income that is not available in the payment month shall be corrected in accordance with MPP Section 44-352.4.

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- (MR) .213      Any portion of the grant which represents a child support penalty shall not be considered when computing the grant amount for the payment month.
- (MR) .22      The total net nonexempt income estimated to be available in the reduced income supplemental payment month shall be established in accordance with the income definitions in Chapter 44-100 plus the \$50 child/spousal support disregard.
- (MR) .3      The ten dollar (\$10) payment limit specified in Section 44-315. 5 shall not apply to the reduced income supplemental payments.
- (MR) .4      Liquid resources and underpayment adjustments for prior months shall not be considered net available income.
- (MR) .5      A reduced income supplemental payment shall not be considered income when calculating the amount of the grant to be paid in future months.
- (MR) .6      No overpayment or underpayment shall be assessed against a reduced income supplemental payment which was correctly computed based on the assistance unit's reasonable estimate of expected income and other circumstances for the reduced income supplemental payment month.

<b>44-402</b>	<b>COMPUTATION OF A REDUCED INCOME SUPPLEMENTAL PAYMENT</b>	<b>44-402</b>
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(MR) .7 Example of Reduced Income Supplemental Payment Issuance:

An AU of two, a mother and one child, nonexempt and residing in Region 1, has a grant of \$188 in January. The mother's hours of employment are reduced effective December 31 of the preceding year. She was receiving \$500 a month but her wages were reduced to \$295 and she expects no additional income in January. She receives \$50 child support disregard per month from the county welfare department for child support received by the county. The mother applies for a RISP on January 8. The county determines that there is a decrease in net nonexempt earned income from November to January.

Computation:

Step 1 - Computing Total Available Income

\$ 295	Estimated earned income in January
<u>- 225</u>	Income Disregard
\$ 70	Subtotal
<u>- 35</u>	50% Earned Income Disregard
\$ 35	Net Nonexempt Income
+188	Aid in January (before overpayment adjustment, if applicable)
+ 50	Child Support Disregard received in January
<u>+ 35</u>	Net nonexempt income
\$ 273	Total available income in January

Step 2 - Computing RISP Payment

\$ 394	80% of AU MAP (\$493) for two
<u>- 273</u>	Minus Total Available income
\$ 121	Reduced Income Supplemental Payment

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NOTE: Authority cited: Sections 10553, 10554, 11450, and 11453, Welfare and Institutions Code. Reference: Sections 11008, 11017, 11255, 11450, 11450.015, 11450.12, 11450.2, and 11451.5, (Ch. 270, Stats. 1997), Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); 45 CFR 237.27; Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992; and Letters from the Department of Health and Human Services, Administration for Children and Families, dated February 29, 1996, March 11, 1996, and March 12, 1996.



<b>47-220</b>	<b>ELIGIBLE CLIENTS</b>	<b>47-220</b>
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|------|---|--|
| .1   | Current Recipient of CalWORKs Cash Assistance | Current CalWORKs recipients are eligible to receive CalWORKs child care because the participant receives CalWORKs cash assistance.   |
| .2   | Stage One Clients                             | Child care shall be paid for every client when the following conditions are met:   |
| .21  | Required Activities                           | A client is participating in the following activities:   |
| .211 | Working                                       | Working, and/or;   |
| .212 | Welfare-to-Work Activity                      | Participating in a county-approved welfare-to-work activity; or  |
| .213 | Other Approved Activity                       | Participating in another activity approved by the county including, but not limited to, job search and assessment or participating as a volunteer.   |
| .22  | Availability of Care                          | There is no parent, legal guardian, or adult member of the assistance unit living in the home who is able and available to provide care.   |
| .3   | Other Stage One Clients                       | Stage One child care shall also be paid for the following individuals:   |
| .31  | (MR) Clients During a Suspense Month          | Section 47-220.31(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.   |
| .32  | Clients During Penalty/Sanction Months        | Stage One clients who experience a period of temporary ineligibility for a cash grant that is not longer than one month, as long as they are participating in county-approved activities, or are employed; |
| .32  | Clients During Penalty/Sanction Months        | Stage One clients who are being penalized or sanctioned, as long as they are working or participating in county-approved activities.   |

<b>47-220</b>	<b>ELIGIBLE CLIENTS (Continued)</b>	<b>47-220</b>
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| .33  | Former CalWORKs Clients Who Have Become Employed             | Former CalWORKs clients who have become employed are eligible for child care services in Stage Three.            |
| .331 | Child Care Services for Former CalWORKs Clients in Stage Two | If child care is not available in Stage Three, former CalWORKs clients receive child care services in Stage Two. |

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| .332 | Child Care Services for Former CalWORKs Clients in Stage One | Former CalWORKs clients shall receive child care services in Stage One when child care services are not available in Stage Two or Three child care. |
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| .34  | Clients Receiving Lump-Sum Diversion Payments or Services in Stage Three | Clients receiving Lump-Sum Diversion Payments or Services, as specified in Section 81-215, are eligible for child care services in Stage Three. If Stage Three child care or other subsidized child care is not available, diversion clients may be served in Stage Two child care. |
| .341 | Lump-Sum Diversion Payment that Includes Child Care                      | The lump-sum diversion payment may include funds to cover child care services during the period of diversion as specified in Section 81-215.  |

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| .4 | Two-Parent Families | Two-parent families, even if they do not meet the 55 hours of participation per week in CalWORKs activities shall receive child care services, if otherwise eligible. |
|----|---------------------|---|

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: 42 U.S.C. 601 et seq., 42 U.S.C. 607(c)(1)(B)(ii); 42 U.S.C. 609(a)(3); 42 U.S.C. 9858i(a)(2)(A); 42 U.S.C. 9801 Note (b)(4); Sections 8263, 8350.5, 8351(c), 8353, 8354 and 8357, Education Code; Sections 10540, 10544, 11265.2, 11266.5, 11320.3, 11322.8, 11323.2 and 11323.8, Welfare and Institutions Code.

<b>47-320</b>	<b>INFORMATION COLLECTION</b>	<b>47-320</b>
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| .1  | County Responsibility           | The county shall obtain from the client information to determine child care eligibility and process payments for child care services. (See Section 40-126.35)  |
| .2  | Client Responsibility           | The following information shall be provided by the client:   |
| .21 | Child's Identifying Information | Name, age, date of birth, ethnic origin and gender of each child requiring care.   |
| .22 | School Hours                    | School hours of each child, if applicable.   |
| .23 | Hours of Care                   | Hours of care needed for each child.   |
| .24 | Provider Information            | Name, address and, if available, a telephone number of the child care provider selected by the client.   |
| .25 | Child's Disability              | Information needed to obtain verification as specified in Section 41-430.2 about any child 11 years of age or older for whom care is requested due to a physical, mental or developmental disability or other similar condition. |
| .26 | Court Supervision               | Information about any child 11 years of age or older for whom care is requested because the child requires care or supervision because she or he is under court supervision.   |

<b>47-320</b> (Continued)	<b>INFORMATION COLLECTION</b>	<b>47-320</b>
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	.27	Section 47-320.27(MR) shall become inoperative and Sections 47-320.27(QR) and .28(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
	(MR) Change in Family Size or Income	Information about changes in family size and composition or changes in family income.
	(QR) Change in Family Size and Composition	Information about changes in family size and composition when an absent parent of a child receiving child care moves into the home or another child moves into the home, including newborns; or
	(QR) .28 Change in Family Income	Information about changes in income that result in the family income reaching or exceeding the family fee thresholds provided in the Family Fee Schedule established by the Superintendent of Public Instruction pursuant to Education Code Section 8263. (See Handbook Section 47-401.8). Information about changes in income that reduce or eliminate the family fee shall also be reported.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: 42 U.S.C. 9858i(a)(2)(A) and (a)(2)(E); 45 CFR 98.20(a)(1)(ii); 45 CFR 98.71(a) and (b); Sections 8208.1, 8263, 8352 and 8357, Education Code; Sections 11054 and 11323.2, Welfare and Institutions Code.

**DIVISION 48 RECORDS****CHAPTER 48-000 RECORDS-GENERAL****48-001 COUNTY DEPARTMENT RESPONSIBILITY FOR RECORDS****48-001**

- .1 The county shall maintain a record for each applicant and recipient which identifies each individual and family, their address and household composition for AFDC. The record shall identify each child and his/her parents, their address and household composition. (See Section 20-005 on record requirements for fraud cases.) The record shall also include:
- .11 Records - Eligibility and Grant
- .111 The appropriate Form CA 2 completed by or on behalf of the applicant.
- .112 All evidence obtained to support the linking and the nonlinking factors of eligibility. The county may maintain a copy or a written record of the type of evidence and its pertinent content where the evidence has been returned to the applicant.
- .113 The original or a copy of pertinent forms completed during the determination or redetermination of eligibility, i.e., budget work sheets, authorizations, forms relating to intercounty transfers, etc.
- .114 Section 48-001.114(MR) shall become inoperative and Section 48-001.114(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The basis for county action granting, denying, changing, suspending, delaying, cancelling, or discontinuing aid.
- (QR) The basis for county action granting, denying, changing, not changing following a recipient mid-quarter report, delaying, cancelling, or discontinuing aid.
- .115 The computation of any overpayment and the basis for a conclusion that the overpayment is or is not subject to adjustment or repayment. If the overpayment is subject to repayment, a copy of any demands for repayment, the facts regarding the determination of the debtor's ability to repay and collection activity (unless this information is recorded centrally elsewhere).
- .116 The worker's evaluation of the applicant's ability or inability to understand his/her program rights and responsibilities.
- .12 Records - Intraprogram Status Change
- .121 A record of any intraprogram status change as provided in Section 40-183.

<b>48-001</b>	<b>COUNTY DEPARTMENT RESPONSIBILITY FOR RECORDS (Continued)</b>	<b>48-001</b>
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- .13 Records - Care in a Medical Institution
  - .131 For the recipient who is a patient in a public or private medical institution, all pertinent information to support the determination of eligibility or ineligibility. (Chapter 42-500.)
- .14 Case Records - Certification for Medi-Cal
  - .141 A record of the certification and each recertification of the recipient for medical care under the Medi-Cal Program.
- .15 Case Records - Narrative
  - .151 Each notation or entry in the case record whether it be on a form or supplemental narrative shall be dated and the person making the entry shall be identified.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11265.3, Welfare and Institutions Code.

<b>48-003</b>	<b>RETURN OF PERSONAL DOCUMENTS</b>	<b>48-003</b>
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- .1 Personal documents shall be returned to the applicant after the pertinent information has been copied or recorded.

<b>48-005</b>	<b>ASSIGNMENT OF STATE NUMBERS</b>	<b>48-005</b>
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- .1 A state number shall be assigned to each application. (See Sections 23-250 and 23-275.)

## CHAPTER 80-300 DEFINITIONS AND FORMS

### 80-301 DEFINITIONS

80-301

The following definitions apply to the regulations in Divisions 40 through 50 and 80 through 90.

- |     |     |   |   |
|-----|-----|---|---|
| (a) | (1) | Aid Payment   | "Aid Payment" means any payment made to an AU.  |
|     | (2) | Aid to Families with Dependent Children                             | "AFDC" means the financial aid program for needy children and their parents or caretaker relatives when the children lack parental support and care. This term refers to the program in general, regardless of source of funding. |
|     | (3) | Aid to Families with Dependent Children - Foster Care (AFDC-FC)     | "AFDC-FC" means the part of the AFDC program which provides aid to children in Foster Care.   |
|     | (4) | Aid to Families with Dependent Children - Family Group (AFDC-FG)    | "AFDC-FG" means the part of the AFDC program which provides aid to children deprived parental support due to absence, death or incapacity.  |
|     | (5) | Aid to Families with Dependent Children- Unemployed Parent (AFDC-U) | "AFDC-U" means the part of the AFDC program which provides aid to children deprived of parental support due to the unemployment of the principal earner.  |
|     | (6) | Alternatively Sentenced Parent (ASP)                                | "ASP" means a parent who is a convicted offender permitted to live at home while serving a court-imposed sentence that precludes the parent from providing support through paid employment.                                       |
|     | (7) | Applicant   | "Applicant" means a person who requests aid or a person on whose behalf a request for aid is made.  |
|     | (8) | Applicant Child   | "Applicant child" means a child for whom aid has been requested but whose eligibility has not yet been determined.  |

**80-301 DEFINITIONS (Continued)**

**80-301**

(9) Assistance Unit (AU)

Section 80-301(a)(9)(MR) shall become inoperative and Section 80-301(a)(9)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR)

"AU" means a group of related persons living in the same home who have been determined eligible for AFDC.

(QR)

"AU" means a group of related persons living in the same home who have been determined eligible for CalWORKs and for whom cash aid has been authorized.

(b) (1) Beginning Date of Aid (BDA)

"BDA" means the effective date that cash aid starts.

(c) (1) Caretaker Relative

"Caretaker relative" means a relative, related to the degree specified in Section 82-808.11, who:

(A)

Lives with a child who is part of the filing unit, and

(B)

Exercises responsibility for the day-to-day care and control of the child.

(2) Child

"Child" means a person who meets the age requirements as specified in Section 42-101. Where appropriate, "child" shall also mean "children".

(3) Collect

"Collect" means to regain AFDC funds which are overpaid to a person by using collection methods other than grant adjustments.



<b>80-301</b>	<b>DEFINITIONS (Continued)</b>	<b>80-301</b>
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| (4) County | "County" means the local government agency responsible for the direct administration of public assistance in that county. |
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Note: In regulations which have not been moved to Division 80, the county may be referred to as CWD or county welfare department.

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**HANDBOOK ENDS HERE**

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| (5) | Section 80-301(c)(5)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration. |
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| (QR) County Initiated Actions | "County Initiated Actions" means Mid-quarter actions that the county is required to take pursuant to Section 44-316.33(QR). |
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| (d) (1) Date of Application | "Date of Application" means the date the applicant or the applicant's representative signs the application or the date the county receives the signed application, whichever is later. |
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| (e) (1) Eligible Child | "Eligible child" means a child who is a member of an AU. |
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| (2) Essential Person (EP) | "EP" means a stepparent or ASP. |
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| (f) (1) Filing Unit | "Filing unit" means the group of persons required to be on the Statement of Facts. |
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| (2) Fingerprint Imaging | "Fingerprint Imaging" means the process that automatically scans an individual's fingerprint and produces a fingerprint image. The image is added to the statewide SFIS database. |
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| (g) (1) GAIN | "GAIN" means the Greater Avenues for Independence program which is a comprehensive statewide employment program for AFDC applicants and recipients. |
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**80-301 DEFINITIONS (Continued)**

**80-301**

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| (2)     | GED          | "GED" means the General Education Development program which provides educational programs for persons no longer enrolled in public schools. |
| (3)     | Grant Adjust | "Grant Adjust" means to regain AFDC funds which were overpaid to an AU by reducing the aid payment.   |
| (h) (1) | Half-Sibling | "Half-sibling" means a brother or sister having only one biological and/or adoptive parent in common with the applicant child.              |

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**HANDBOOK BEGINS HERE**

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| (i) (1) | Immediate Need Payment              | "Immediate Need Payment" means an aid payment made in advance of a completed determination of eligibility for AFDC when specific criteria are met.  |
| (2)     | Intentional Program Violation (IPV) | "IPV" means an Intentional Program Violation, (See Section 20-351) which is a determination made by a state or federal court, including any determination made on the basis of a plea of guilty or nolo contendere, or pursuant to an administrative disqualification hearing that an individual has intentionally: |
| (A)     |                                     | Made a false or misleading statement or misrepresented, concealed, or withheld facts; or  |
| (B)     |                                     | Committed any act intended to mislead, misrepresent, conceal, or withhold facts or propound a falsity; and  |
| (C)     |                                     | Committed these acts to establish or maintain CalWORKs eligibility, or to increase or prevent a reduction in the amount of the CalWORKs grant.  |

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**HANDBOOK ENDS HERE**

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| (j) | (Reserved) |
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**80-301 DEFINITIONS (Continued)**

**80-301**

(k) (Reserved)

(l) (Reserved)

(m) (1) Mandatory Inclusion

"Mandatory inclusion" means the requirement that a parent, sibling or half-sibling be included in a filing unit or AU with the applicant or eligible child.

(2)

Section 80-301(m)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Mandatory Recipient Reports

"Mandatory Recipient Reports" means mid-quarter reports that recipients are required to make within ten days of occurrence to the county pursuant to Section 44-316.32(QR).

(3) Medical Verification of Pregnancy

"Medical verification of pregnancy" means a written statement from a physician, physician's assistant, state certified nurse midwife, nurse practitioner or by designated medical or clinic personnel with access to the patient's medical record that provides information sufficient to substantiate the diagnosis and estimated delivery date.

(4)

Section 80-301(m)(4)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Mid-Quarter Reports

"Mid-Quarter Reports" means any change reported during the QR Payment Quarter outside of the QR 7 report process.

(5) Minor Parent

"Minor parent" means the father, mother or pregnant woman, married or unmarried, who is less than 18 years of age.

**80-301      DEFINITIONS (Continued)****80-301**

(n)	(Reserved)	
(o)	(1) Optional Person	"Optional person" means an otherwise eligible person who is not required to be included in the filing unit or AU.
	(2) Otherwise Eligible	"Otherwise eligible" means a status where the person has been determined to meet all eligibility requirements for aid, other than that eligibility factor being considered.
(p)	(1) Parent	"Parent" means the biological parent, married or unmarried, of the child unless the child has been adopted or relinquished for adoption or the parental rights are terminated. If the child is adopted, the person who adopts the child is the parent. If the child is relinquished for adoption or the parental rights are terminated, that parent is no longer considered the parent except for purposes of determining a caretaker relative.
	(2) Photo Imaging	"Photo Imaging" means the process that automatically scans an individual's facial features and produces a facial image. The image is added to the statewide SFIS database.
	(3) Pregnant Woman	"Pregnant woman" means a woman (including a minor) who has provided medical verification of pregnancy to the county.
	(4) Public Hospital	"Public hospital" means an institution which is:
	(A)	Licensed or formally approved as a hospital by an officially designated state standard-setting authority for study, diagnosis, treatment of physical, emotional, or mental conditions, care of injured, disabled or sick persons, and

<b>80-301</b>	<b>DEFINITIONS (Continued)</b>	<b>80-301</b>
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|  | (B) | Supported from public funds, and                |  |
|  | (C) | Managed and controlled by a unit of government. |  |

| (q) (Reserved)

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|--|-----|-----|-----------|---|--|
|  | (r) | (1) | Recipient | "Recipient" means a person who is receiving AFDC.   |  |
|  |     | (A) |           | A person becomes a "recipient" on the date on which both of the following conditions are met: |  |
|  |     | 1.  |           | the person meets all conditions of eligibility, and   |  |
|  |     | 2.  |           | the county signs authorization documents to approve the application for AFDC.                 |  |

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|  | (B) | An applicant who has been approved for an immediate need and/or homeless assistance payment based on his/her apparent eligibility is not considered to be a recipient, as specified in Section 40-129. In these cases, the county has not signed authorization documents to approve the AFDC application. |  |
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**HANDBOOK ENDS HERE**

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| (2) | Recover               | "Recover" means to grant adjust or collect an overpayment.  |  |
| (3) | Reunification Parents | "Reunification Parents" means those parents who are eligible to continue to receive CalWORKs services on the basis that their child/children are considered temporarily absent when all of the following conditions are met: the child has been removed and placed in out-of-home care by the county child welfare services agency; when the child was removed, the family was receiving CalWORKs assistance; and the county child welfare services agency has determined that provision of CalWORKs services is necessary for reunification. |  |

80-301	DEFINITIONS (Continued)	80-301
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(4)	Reunification Cases	“Reunification Cases” means those CalWORKs cases in which the children have been removed and placed in out-of-home care by the county child welfare services agency and considered temporarily absent from the AU while their parents are receiving reunification services.
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(5)	Reunification Plan	“Reunification Plan” means the case plan that is developed by the county child welfare services agency for the provisions of services to the reunification parent, as defined in Section 80-301(r)(3), and given effect through order of the court or pursuant to a voluntary placement agreement executed in accordance with Child Welfare Services regulations in MPP Sections 31-082, 31-084, 31-088, 31-215, 31-225, 31-325, and 31-340.
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(6)	Reunification Services	“Reunification Services” means those CalWORKs services that the county child welfare services agency determines to be necessary for a reunification parent to reunite with his/her child/children and are specified in the reunification plan.
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(s)	(1)	Sanction	"Sanction" means action taken by the county resulting in ineligibility resulting from an action or lack of action by a recipient.
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(2)	Second Parent	"Second Parent" means the parent living in the home who is not the caretaker relative parent.
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(3)	Senior Parent	"Senior Parent" means the parent of a minor parent when the minor parent receives aid for his/her child or the parent of a minor pregnant woman.
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(4)	Sibling	"Sibling" means the brother or sister who has both parents in common with the applicant child. This includes siblings by adoption.
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<b>80-301</b>	<b>DEFINITIONS (Continued)</b>	<b>80-301</b>
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| (5)  | Sponsored Noncitizen                                     | "Sponsored noncitizen" means a noncitizen whose entry into the United States was sponsored by a person who executed an I-864 Affidavit of Support or similar agreement on behalf of a noncitizen as a condition of the noncitizen's entry into the United States.   |
| (6)  | California Department of Social Services (CDSS)          | "CDSS" means the state department which supervises the counties in the administration of the AFDC program. Also referred to as Department.  |
| (7)  | Statement of Facts                                       | "Statement of Facts" means the CA 8 (Rev. 2/84) CA 8A (Rev. 10/89), CA 20 (Rev. 4/88), CA 22 (Rev. 10/85); CA 23 (Rev. 1/85), CA 24 (Rev. 1/85), JA2 (Rev. 4/90) or SAWS 2 (Rev. Pending) are the state required forms used to collect the information necessary to determine a family's eligibility. See Section 80-310 for title and definition of forms. |
| (8)  | Statewide Fingerprint Imaging System (SFIS)              | "Statewide Fingerprint Imaging System (SFIS)" means an automated system that captures fingerprint and photo images and stores them in a statewide database.   |
| (9)  | Stepparent   | "Stepparent" means the person who is not the biological parent and is married to the parent of the child.   |
| (10) | Strike   | "Strike" means a concerted stoppage of work by employees (including a stoppage by reason of the expiration of a collective bargaining agreement) and any concerted slowdown or other concerted interruption of operations by employees.   |
| (11) | Striker  | "Striker" means an applicant or recipient who is participating in a strike on the last day of the month.  |
| (12) | Supplemental Security Income/State Supplementary Program | "SSI/SSP child" means a child who would be eligible for AFDC except that he/she is receiving SSI/SSP. SSI/SSP is the federal/state assistance program for persons who are aged, disabled or blind as authorized by Title XVI of the Social Security Act.  |

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<b>80-301</b>	<b>DEFINITIONS (Continued)</b>	<b>80-301</b>
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| (t) (Reserved)

| (u) (Reserved)

| (v) (1)

Section 80-301(v)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Voluntary Recipient Reports

"Voluntary Recipient Reports" means mid-quarter reports that recipients may make to the county pursuant to Section 44-316.31(QR).

| (w) (Reserved)

| (x) (Reserved)

| (y) (Reserved)

| (z) (Reserved)

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

TERM	PREVIOUS CITE	REFERENCE
Aid to Families With Dependent Children (AFDC)	40-103.84	45 CFR 201.3 and Sections 10553 and 10554, Welfare and Institutions Code.
Aid to Families With Dependent Children - Foster Care (AFDC-FC)	40-103.843	Sections 10553, 10554, and 11400(a), Welfare and Institutions Code.

<b>80-301</b>	<b>DEFINITIONS (Continued)</b>	<b>80-301</b>
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TERM	PREVIOUS CITE	REFERENCE
Aid to Families With Dependent Children - Family Group (AFDC-FG)	40-103.841	Section 11250, Welfare and Institutions Code.
Aid to Families With Dependent Children-Unem- ployed Parent (AFDC-U)	40-103.842	Section 11201, Welfare and Institutions Code.
Aid Payment	N/A	
Alternatively Sentenced Parent (ASP)	N/A	45 CFR 233.90(c)(1)(iii).
Applicant	40-103.5	45 CFR 206.10 and Sections 11023.5 and 11051 Welfare and Institutions Code.
Applicant Child	N/A	45 CFR 206.10 and Sections 10553 and 10554, Welfare and Institutions Code.
Assistance Unit	N/A	45 CFR 233.90, 42 USCA(a)(38), and SSA-AT-86-01.
Beginning Date of Aid	N/A	Section 11266, Welfare and Institutions Code.
Caretaker Relative	N/A	42 USCA 606(a), 45 CFR 233.90(c)(1)(v), and Section 11203, Welfare and Institutions Code.
Child	N/A	45 CFR 233.90(c)(1)(i).

ELIGIBILITY AND ASSISTANCE STANDARDS			80-301 (Cont.)
Regulations	DEFINITIONS AND FORMS		
80-301	DEFINITIONS (Continued)		80-301
TERM	PREVIOUS CITE	REFERENCE	
Collect	N/A		
County	40-103.7	Section 10058, Welfare and Institutions Code.	
County Initiated Actions	N/A	Section 11265.2, Welfare and Institutions Code.	
Date of Application	N/A	45 CFR 206.10(b)(3).	
Eligible Child	44-203.11	45 CFR 233.90(c)(1)(i) and Section 11203, Welfare and Institutions Code.	
Essential Person (EP)	N/A	45 CFR 233.20(a)(2)(vi) and 45 CFR 237.50(c).	
Filing Unit	N/A	45 CFR 206.10(a)(1)(vii).	
GAIN	N/A	45 CFR 255 and Section 11320, Welfare and Institutions Code.	
GED	N/A	Sections 10553 and 10554, Welfare and Institutions Code.	
Grant Adjust	N/A		
Half-Sibling	N/A	45 CFR 206.10(a)(1)(vii) and 45 CFR 233.90(c)(1)(v).	
Immediate Need Payment	N/A	Section 11266, Welfare and Institutions Code.	
Intentional Program Violation (IPV)	N/A	Sections 10063 and 11486, Welfare and Institutions Code.	
Mandatory Inclusion	N/A	45 CFR 226.10(a)(1)(viii), and Sections 10553 and 10554, Welfare and Institutions Code.	
Mandatory Recipient Reports	N/A	Section 11265.3, Welfare and Institutions Code.	

80-301	DEFINITIONS (Continued)	80-301
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TERM	PREVIOUS CITE	REFERENCE
Medical Verification of Pregnancy	44-205.642	45 CFR 233.90(c)(2)(iv) and Sections 10553 and 11450, Welfare and Institutions Code.
Mid-Quarter Reports	N/A	Section 11265.3, Welfare and Institutions Code.
Minor Parent	43-103.2 44-133.711	45 CFR 233.20(a)(3)(xviii) and Section 11008.14, Welfare and Institutions Code.
Optional Persons	N/A	45 CFR 233.20(a)(2)(vi) and 45 CFR 237.50(c).
Otherwise Eligible	N/A	Sections 10553, 10554, and 10604, Welfare and Institutions Code.
Parent	41-403.1	45 CFR 237.50(b)(3)(ii) and Section 11203, Welfare and Institutions Code.
Pregnant Woman	44-205.6	45 CFR 233.90(c)(2)(iv) and Section 11008.14, Welfare and Institutions Code.
Public Hospital	42-503.51	45 CFR 233.60(b)(3) and (5) and Section 11269, Welfare and Institutions Code.
Recipient	40-189.11	45 CFR 233.10(a)(1) and Section 11450, Welfare and Institutions Code.
Recover	N/A	
Reunification Cases	N/A	45 CFR 233.20 and Sections 10553, 10554, and 11203, Welfare and Institutions Code.
Reunification Parents	N/A	45 CFR 233.20 and Sections 10553, 10554, and 11203, Welfare and Institutions Code.
Reunification Plan	N/A	45 CFR 233.20 and Sections 10553, 10554, 11203, 16501.1, and 16507, Welfare and Institutions Code.
Reunification Services	N/A	45 CFR 233.20 and Sections 10553, 10554 and 11203, Welfare and Institutions Code.

<b>80-301</b>	<b>DEFINITIONS (Continued)</b>	<b>80-301</b>
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TERM	PREVIOUS CITE	REFERENCE
Sanction	N/A	45 CFR 224.51 and 45 CFR 232.12(d)(1).
Second Parent	N/A	Sections 10553 and 10554, Welfare and Institutions Code.
Senior Parent	N/A	45 CFR 233.20 and Sections 10553 and 10554, Welfare and Institutions Code.
Sibling	N/A	Sections 10553 and 10554, Welfare and Institutions Code.
Sponsored Noncitizen	43-119.1	8 CFR 213a. and 299, 45 CFR 233.20(a)(3)(xv) and 45 CFR 233.51 and Section 11008.13, Welfare and Institutions Code.
State Department of Social Services (SDSS)	N/A	Section 10054, Welfare and Institutions Code.
Statewide Fingerprint Imaging System (SFIS)	N/A	42 USC 402(a)(6) and Section 10830, Welfare and Institutions Code.
Statement of Facts	N/A	Sections 10553, 10554, and 11054, Welfare and Institutions Code.
Stepparent	43-103.3	45 CFR 233.20(a)(3)(xiv) and Section 11008.14, Welfare and Institutions Code.
Strike	41-701.21	45 CFR 233.106 and Section 11250.4, Welfare and Institutions Code.
Striker	41-701.23	45 CFR 233.106 and Section 11250.4, Welfare and Institutions Code.
SSI/SSP Child	N/A	45 CFR 233.90.
Voluntary Recipient Reports	N/A	Section 11265.3, Welfare and Institutions Code.

**80-310 DEFINITIONS - FORMS**
**80-310**

The following forms apply to the regulations in Divisions 40 through 50 and 80 through 89.

| (a) (Reserved)

| (b) (Reserved)

| (c) (1) CA 2.1 NA

The "Child/Spousal and Medical Support Notice and Agreement" (Rev. 12/89) is used to inform the applicant of his/her responsibility to participate in the support enforcement process and of his/her right to claim exemption from participation.

(2) CA 2.1 (Q)

The "Support Questionnaire" (Rev. 2/91) is used to collect information about the absent parent.

(3) CA 8

The "Statement of Facts for Additional Persons" (Rev. 2/84) is used to collect the information necessary to determine eligibility when adding a person.

(4) CA 8A

The "Statement of Facts to Add a Child Under 16 Years" (Rev. 10/89) is used to collect the information necessary to determine eligibility when adding a child.

(5) CA 13

The "Caretaker Relative Agreement" (Rev. 10/86) is used to designate the caretaker relative as agreed by two persons who live in separate homes when both could qualify as the caretaker relative of a child.

(6) CA 20

The "Statement of Facts Supporting Eligibility for Assistance -Redetermination" (Rev. 8/90) is used to collect the information necessary to determine eligibility at the time of the annual redetermination.

| (7)

Section 80-310(c)(7)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

**80-310      DEFINITIONS - FORMS**  
(Continued)

**80-310**

|      (MR) CA 22

The "Alien Sponsor's Statement of Facts Regarding Income and Resources (Supplemental Application for Food Stamps and AFDC)" (Rev. 10/85) is the form used to collect the information about the alien sponsor necessary to determine the eligibility of an applicant who is a sponsored alien.

(8)    CA 23

The "Senior Parent(s)/Legal Guardian(s) Statement of Facts" (Supplement to CA 2, Rev. 1/89) is used to collect information about the senior parent/legal guardian's income to determine a minor parent's eligibility.

(9)    CA 24

The "Sponsoring Agency or Organization's Statement of Facts Regarding Ability to Meet the Alien's Needs" (Rev. 1/85) is used to collect the necessary information to determine the eligibility of an alien who is sponsored by an agency or organization.

(10)   CA 42

The "Statement of Facts for Homeless Assistance (Rev. 1/96)" is used to gather information to determine eligibility for non-recurring special need for homeless assistance.

(11)   CA 371

The "Referral to District Attorney" (Rev. 3/93) is used to refer cases to the District Attorney for child support enforcement purposes.

|      (12)

Section 80-310(c)(12)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

|      (MR) CW 7

The "Monthly Eligibility Report" (Rev. 7/00) is used to collect information for cash aid and food stamps. The CW 7 replaces the CA 7.

80-310	DEFINITIONS – FORMS (Continued)	80-310
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(13) CCP 1	The Declaration of Exemption From Trustline Registration and Health and Safety Self-Certification, (10/98), Recommended, is used to declare that an individual; the aunt, uncle, grandmother/father, great grandmother/father, great aunt/uncle of the child(ren) in care is exempt from licensure.
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(14) CCP 4	The Health and Safety Self-Certification (For license-exempt providers), (10/98), Required (Substitutes Permitted), is used for a license-exempt child care provider who is serving a family that receives subsidized child care. Also, this form certifies that the home where child care is provided meets basic health and safety standards, including the prevention and control of infectious diseases.
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(15) CCP 6	The Health and Safety Facility Checklist, (7/98), Required (Substitutes Permitted), is used to provide parents with a list of suggested questions to ask their child care provider to ensure that the home where care is to be provided is a safe and healthy place for their child(ren).
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(16)	Section 80-310(c)(16)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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(QR) CW 20	The "Statement of Facts Supporting Eligibility for Assistance -Redetermination" is used to collect the information necessary to determine eligibility at the time of the annual redetermination.
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(d) (1) DHS 6110	The Medical Insurance Form (Rev. 10/91) is used to collect information regarding medical coverage and identify third parties who may be liable to pay for medical expenses of AU members.
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<b>80-310</b>	<b>DEFINITIONS - FORMS</b>	<b>80-310</b>
	(Continued)	

(2)	DHS 6155	The Health Insurance Questionnaire (Rev. 10/90) is used to collect information regarding medical coverage and identify third parties who may be liable to pay for medical expenses of AU members.
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	(e)	(Reserved)
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	(f)	(1)	FC 2	The "Statement of Facts Supporting Eligibility for AFDC-Foster Care (FC)" (Rev. 7/02) is used to collect information necessary to determine foster care eligibility at the time of application and redetermination.
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	(2)	FC 18	The "Notification of AFDC-Foster Care Transfer" (Rev. 2/97) collects and transmits the information necessary to transfer a foster care case between counties.
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	(g) through (i)	(Reserved)
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	(j)	(1)	JA 2	The "Statement of Facts - Cash Aid and Food Stamps" (Rev. 4/90) is used to collect the information necessary to determine eligibility at the time of application and redetermination. This form replaces the CA 2.
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	(k) through (p)	(Reserved)
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	(q)	Sections 80-310(q)(1)(QR) through (11)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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**80-310 DEFINITIONS - FORMS**  
(Continued)

**80-310**

(QR) (1)	QR 2	The "Reporting Changes for Your Cash Aid Assistance Unit and Food Stamp Households" (Rev. 4/03) may be used to inform the recipient of their Income Reporting Threshold (IRT) and reporting responsibilities.
(QR) (2)	QR 3	The "Mid-Quarter Status Report" (Rev. 4/03) may be used by recipients to report mandatory and/or voluntary mid-quarter changes in writing. Clients are not mandated to use this form and counties shall also accept mid-quarter reports that are submitted in a manner other than on the QR 3.
(QR) (3)	QR 7	The "Quarterly Eligibility/Status Report" (Rev. 4/03) is used to collect information to determine eligibility and benefits for cash aid and food stamps. The QR 7 comes with an addendum that lists examples of income and expenses and the penalties for fraud.
(QR) (4)	QR 7A	The "How to Fill Out Your QR 7" (Rev. 4/03) instructs recipients on how to fill out the Quarterly Report (QR 7). The QR 7A shall be given to applicants at the time of application and to recipients at each annual redetermination. The form shall also be made available anytime the client requests it.
(QR) (5)	QR 22	The "Sponsor's Statement of Facts Income/Resources (Supplemental Application for Food Stamps and CalWORKs)" (Rev. 9/03) is used to collect necessary information about a noncitizen's sponsor for determining eligibility for the noncitizen.
(QR) (6)	QR 25A	The "Payee Agreement/Minor Parent" (Rev. 5/04) is used in minor parent cases to delegate an adult payee.
(QR) (7)	QR 29	The "Applicant Test" (Rev. 5/04) is used to determine if the applicant is eligible for Cash Aid.

<b>80-310</b>	<b>DEFINITIONS - FORMS</b>	<b>80-310</b>
	(Continued)	

(QR) (8)	QR 30	The "CalWORKs Budget Worksheet" (Rev. 6/04) is used to determine the aid payment amount for the AU.
(QR) (9)	QR 72	The "Sponsor's Quarterly Income and Resources Report" (Rev. 5/04) is used to gather necessary information each quarter from a noncitizen's sponsor that is used to determine continuing eligibility and grant level for the noncitizen.
(QR) (10)	QR 73	The "Senior Parent Quarterly Income Report" (Rev. 6/04) is used to collect necessary information from the senior parent to determine continuing eligibility and grant levels for the minor parent.
(QR) (11)	QR 2103	The "Reminder for Teens Turning 18 Years Old" (Rev. 10/03) is used to inform recipient children who will be turning 18 within 60 days of the requirements for continued eligibility.
(r)	(Reserved)	
(s)	(1) SAWS 1	The "Application for Cash Aid, Food Stamps and/or Medical Assistance" (Rev. 9/90) is used to request public assistance, including AFDC.
	(2) SAWS 2	The "Statement of Facts Cash Aid Food Stamps and Medical Assistance" (Rev. 4/91) is used as a multipurpose form to gather information necessary to determine eligibility for Food Stamps, AFDC and Medi-Cal.
	(3)	Section 80-310(s)(3)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
	(QR) SAWS 2A-QR	The "Rights, Responsibilities and Other Important Information" (Rev. 8/03) is used to inform applicants and recipients of their rights and responsibilities.

80-310	<b>DEFINITIONS - FORMS</b> (Continued)	80-310
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|--|-------------------|---|
|  | (4) SAWS 7        | The "Monthly Eligibility/Status Report" (Rev. 1/93) is used in place of the CA 7 and is mandatory in fully automated SAWS counties and optional in all other counties.  |
|  | (5) SCC 6         | The "Monthly Child Care Eligibility Report" (Rev. 3/95) is used to gather information monthly to determine eligibility to receive child care assistance in the Supplemental Child Care Program or the California Alternative Assistance Program.  |
|  | (6) SOC 158A      | The "Foster Child's Data Record and AFDC-FC Certification" (Rev. 3/93) collects child-specific data necessary to determine foster care eligibility and input information into the Foster Care Information System.   |
|  | (7) SOC 809       | The "Cash Assistance Program for Immigrants (CAPI) Indigence Exception Statement" (Rev. 7/03) is a form to be completed by CAPI applicants or recipients who are claiming that they meet the indigence exception to sponsor-deeming.  |
|  | (t) (1) TEMP 2189 | The Tyler Public Notice (Poster) (10/00) (English/Spanish) is posted in agencies designated by plaintiffs' counsel such as CWDs, regional centers, independent living centers, area boards, and legal aid programs. This poster explains eligibility and the procedures needed for any aged, blind or disabled person in the IHSS Program to receive retroactive payments for range of motion services provided from June 17, 1990 through March 31, 1994 in the judgment of <u>Tyler v. Anderson</u> . |
|  | (2) TEMP 2185     | The Tyler Notice (09/00) (English/Spanish) explains eligibility and the procedures needed for any aged, blind or disabled person in the IHSS program to receive retroactive payments for range of motion services provided from June 17, 1990 through March 31, 1994 in the judgment of <u>Tyler v. Anderson</u> .  |

80-310	<b>DEFINITIONS - FORMS</b> (Continued)	80-310
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(3)	TEMP 2185A	The Tyler Claim Form (09/00) (English/Spanish) is used by a claimant to file for retroactive payments as provided in the judgment of <u>Tyler v. Anderson</u> .
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(4)	TEMP 2185B	The Tyler Supplemental Applicant Claim Form (10/00) (English/Spanish) is used by applicant claimants to file for retroactive payments to determine financial and categorical eligibility for IHSS as provided in the judgment of <u>Tyler v. Anderson</u> .
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(5)		Section 80-310(t)(5)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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(QR)	TEMP QR 1	The "New Reporting Requirements for CalWORKs and Food Stamp Recipients" (Rev. 8/03) is a mass informing notice sent to recipients on a monthly basis for a period of three months before and three months after implementation of QR/PB. The informing notice shall be given to applicants who apply during the reporting transition. This notice explains the change from monthly reporting to quarterly reporting.
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(6)	TLR 1	The California Department of Social Services Trustline Registry Application Form (Rev. 1/99), is used for license-exempt child care providers to apply to the Trustline Registry.
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(u) through (z)	(Reserved)	
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NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 45 CFR 206.10(a)(8); Sections 10553, 10950, 11054, 11265.1, 11265.2, 11265.3, 11450(b), 12300, 12300.2, 12304, 12304.5, and 14132.95, Welfare and Institutions Code, and Judgment Re: Tyler v. Anderson, Sacramento Superior Court Case No. 376230, dated January 22, 1999; 8 USC Section 1631; and 1798.17, Civil Code.

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<b>82-612</b>	<b>UNEMPLOYMENT INSURANCE BENEFITS (UIB)</b>	<b>82-612</b>
	(Continued)	

.3	Date of Discontinuance	Section 82-612.3(MR) shall become inoperative and Section 82-612.3(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
	(MR)	The county shall discontinue the AU on the last day of the month in which a person who is required to apply for or accept UIB fails to do so, or fails to meet one of the eligibility conditions in Section 82-612.7.
	(QR)	The county shall discontinue the AU at the end of the QR Payment Quarter in which a person who is required to apply for or accept UIB fails to do so, or fails to meet one of the eligibility conditions in Section 82-612.7.
.4	Reestablish UIB Eligibility	The county shall continue aid when the mandatorily included person reestablishes eligibility for UIB in the same month that he/she is disqualified for UIB.
.5	Referral to EDD	The county shall refer mandatorily included persons who are apparently eligible for UIB and who have not applied for UIB, to EDD to apply for UIB.
.6	Apparently Eligible	The county shall not refer a person to EDD who:
	.61 Not Worked	Has not worked in employment covered by the Unemployment Insurance Compensation Law in the past 19 months.
	.62 Receiving UIB/DIB	Is receiving UIB/Disability Insurance Benefits (DIB), has a UIB/DIB claim which is being processed or has exhausted his/her UIB/DIB.
	.63 Ill or Injury	Is ill or injured as specified in Section 42-630.3.
	.64 Previously Denied	Has previously been denied or discontinued from UIB and has no subsequent employment which would change the previous determination.

82-612	UNEMPLOYMENT INSURANCE BENEFITS (UIB) (Continued)	82-612
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.65	Employed	Is employed forty hours a week.
.66	Striking	Is participating in a strike.
.7	Conditions of Eligibility for UIB	An applicant or recipient meets conditions of eligibility by meeting the requirements in Section 1253 of the Unemployment Insurance Code (UIC).

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.71	UIC Section 1253	UIC 1253 states, in part:
		"An unemployed individual is eligible to receive unemployment compensation benefits with respect to any week only if the Director finds that:
.711		"A claim for benefits with respect to that week has been made in accordance with authorized regulations.
.712		"He has registered for work, and thereafter continued to report, at a public employment office or such other place as the Director may approve. Either or both of the requirements of this subdivision may be waived or altered by authorized regulations as to partially employed individuals attached to regular jobs.
.713		"He was able to work and available for work for that week.
.714		"He has been unemployed for a waiting period of one week as defined in Section 1254.
.715		"He conducted a search for suitable work in accordance with specific and reasonable instructions of a public employment office."

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NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11265.2 and 11270, Welfare and Institutions Code and 45 CFR 233.20(a)(3)(ix).



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82-812	TEMPORARY ABSENCE (Continued)	82-812
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.684		Reunification parents are eligible for welfare-to-work services as described in Section 42-700 et seq.
.685		Reunification parents are eligible for supportive services pursuant to Section 42-750.
.686		Reunification parents are subject to the rules regarding supportive services underpayments and overpayments as set forth in Section 42-751.
.687		The following are eligibility and reporting requirements that will apply to the family reunification parent.
	(a)	Section 82-812.687(a)(MR) shall become inoperative and Section 82-812.687(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
	(MR)	Monthly eligibility reporting requirements for reunification cases are set forth in Section 40-181.223(MR).
	(QR)	Quarterly eligibility reporting requirements for reunification cases are set forth in Section 40-181.223(QR).
	(b)	The reunification case will be subject to an eligibility redetermination every six months pursuant to Section 40-181.1(e)(4).
	(c)	An eligibility redetermination pursuant to Section 40-181.1(e)(5) will be conducted to restore cash aid to the CalWORKs case when an AU is reunified.

82-812	TEMPORARY ABSENCE (Continued)	82-812
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(d) Pursuant to Section 42-711.61, the county may utilize the county child welfare services agency reunification plan as defined in Section 80-301(r)(5) as the required welfare-to-work (WTW) plan or amend the WTW plan and include all or part of the WTW activities in the reunification plan.

(e) Pursuant to Section 42-711.512 and Section 42-721.413, reunification parents who are subject to a WTW sanction, including a second or third instance sanction, are not precluded from receiving CalWORKs reunification services. Participation in a family reunification plan will also count toward any required sanction period.

(f) For Maximum Family Grant purposes and pursuant to Section 44-314.2, a month in which children are temporarily absent from the home shall be considered a month in which the AU did not receive aid.

.688 The county child welfare services agency may grant a good cause extension to the 180-day temporary absence in the following situations:

(a) An extension is needed for the number of days between the date of the children's removal and the date the court orders a reunification plan.

(b) The county child welfare services agency determines that additional time is needed, beyond the 180 days, to complete the reunification plan. This extension can be in effect until termination of the family reunification plan.

<b>82-812</b>	<b>TEMPORARY ABSENCE (Continued)</b>	<b>82-812</b>
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(c)	Example of Good Cause Extension of 180-day Family Reunification Plan
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A family consists of a parent and two children. The children are removed by the county child welfare services agency on June 14, 2003. The parent has completed all of the requirements of the Family Reunification Plan by February 1, 2004. However, the social worker in the case recommends to the court, and the court agrees, that the parent needs an additional six months of services. A six-month extension is ordered by the court and the parent receives an extension of CalWORKs services which ends on July 31, 2004.

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.7 Documentation of Temporary Absence	The county shall document the basis for the temporary absence.
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[Previous cite: 44-203.22(a)(3), 42-500]

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11203, 11265.1, 11269, 11323.4, and 11454, Welfare and Institutions Code; and 42 USC 408(a)(10).

<b>82-820</b>	<b>INCLUDED PERSONS</b>	<b>82-820</b>
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.1 Assistance Unit	Section 82-820.1(MR) shall become inoperative and Section 82-820.1(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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(MR)	An AU shall be established when all eligibility factors have been determined.
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(QR)	An AU shall be established when all eligibility factors have been met and aid has been authorized.
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82-820	INCLUDED PERSONS (Continued)	82-820
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.2	Minimum Requirements	An AU shall have at least one of the following:
.21	Child	One eligible child.
.22	Caretaker Relative	A caretaker relative of an SSI/SSP child, Kin-GAP child or of a child receiving federal, state or local foster care maintenance payments. For purposes of this section, local foster care maintenance payments are payments made with county-only funds for the board and care costs of children in 24-hour out-of-home care who have an open child welfare services case file.
.23	Pregnant Woman	A pregnant woman.
.24	Relative of GAIN Sanctioned Child	A relative of a child who is sanctioned by GAIN.
.3	Mandatory Inclusion	Section 82-820.3(MR) shall become inoperative and Section 82-820.3(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(MR)		The AU shall include the following persons when living in the same home and eligible:
(QR)		The AU shall include the following persons when living in the same home and eligible at the time of initial family application (see Section 44-317) or at the beginning of the QR Payment Quarter following the mandatory reporting of the individual on the QR 7 (see Section 44-318):
.31	Applicant Child	The applicant child.
.32	Siblings	Any eligible sibling or half-sibling of the applicant child who meets the age requirement.
.33	Parents	Any parent, except for alternatively sentenced parents, of:

<b>82-820</b>	<b>INCLUDED PERSONS (Continued)</b>	<b>82-820</b>
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| .331 | The applicant child, or   |  |
| .332 | The applicant child's eligible siblings or half-sibling who meet the age requirement. |  |

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| .333 | For exceptions to the mandatory inclusion requirements applicable to pregnant or parenting minors who are participants of the California Work Pays Demonstration Project, see Section 89-201.5. |  |
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| .4 | Who Determines AU | The county shall determine who is mandatorily included and excluded from the AU. The county and the applicant/recipient shall determine whether or not an optional person will be included in the AU. |
| .5 | Penalty           | The county shall deny the application or discontinue AFDC when a mandatorily included person refuses to be included.  |

[Previous Cites: 44-205.1, 44-205.4 and 44-205.51]

NOTE: Authority cited: Sections 10553, 10554, 10604, and 11369, Welfare and Institutions Code. Reference: 42 USCA 606; 45 CFR 206.10(a)(1); 45 CFR 233.10(a)(1), (a)(1)(iv) and (vii); 45 CFR 233.90(c)(1)(v)(A); 45 CFR 237.50(b)(5); 45 CFR 250.34; SSA-AT-86-01; Section 242, California Civil Code; Edwards v. Healy, Civ. S. 91-1473 DFL (1992); Sections 10553, 10554, 10604, 11000, 11254, 11265.3, 11400, 11450, and 11450.16, Welfare and Institutions Code; and ACF-AT-94-5.

<b>82-824</b>	<b>ASSISTANCE UNITS THAT SHALL BE COMBINED</b>	<b>82-824</b>
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| .1  | Combining AUs   | Two or more AUs in the same home shall be combined into one AU when:                                     |
| .11 | Marriage        | A caretaker relative is married to another caretaker relative in another AU, or                          |
| .12 | Child in Common | Two caretaker relatives in the home have separate children and also have an eligible child in common, or |

<b>82-824</b>	<b>ASSISTANCE UNITS THAT SHALL BE COMBINED (Continued)</b>	<b>82-824</b>
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|-----|------------------------|---------------------------------------|
| .13 | One Caretaker Relative | There is only one caretaker relative. |
|-----|------------------------|---------------------------------------|

[Previous Cite: 44-205.3]

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 45 CFR 206.10(a)(1); 45 CFR 233.90; 45 CFR 237.50(b)(5); United States Department of Health and Human Services, Office of Family Assistance, Aid to Families with Dependent Children Action Transmittal No. SSA-AT-86-1; Section 242, California Civil Code; Anderson v. Edwards 115 S.Ct. 1291 (1995); and Sections 10553, 10554, 10604, 11000, and 11450, Welfare and Institutions Code.

<b>82-828</b>	<b>OPTIONAL PERSONS</b>	<b>82-828</b>
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.1	County Responsibility	
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| .11 | Identify Optional Persons | The county shall identify, for the applicant or recipient, any person living in the home who may be included in the AU. |
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| .111 |  | This shall be done at the time of application, redetermination, or at any other time the county is informed of a change in the number of persons living in the home. |
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| .12 | Effect on AU | The county shall explain to the applicant or recipient the effect of including or excluding the optional person. The applicant or recipient shall decide who is to be included. |
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| .121 |  | The explanation shall include a description of the AU composition which will result in the maximum aid to which the family is eligible, considering the income and resources of each person who may be included. |
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.2	Optional Persons	The following persons who are not otherwise required to be in the AU shall be included upon request of the applicant/recipient.
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| .21 | Nonparent Caretaker Relatives | Any nonparent relative who has been determined to be the caretaker relative. |
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<b>82-828</b>	<b>OPTIONAL PERSONS (Continued)</b>	<b>82-828</b>
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| .22 | Other Eligible Children | Any other eligible children, including, but not limited to, a niece or nephew. |
| .23 | Essential Persons       | Any essential person who meets the requirements of Section 44-209.3.           |

[Previous cite: 44-205.5, 44-203.3, 44-118.11]

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: 42 USCA 606(a) and (b)(1); 45 CFR 206.10(a)(1)(vii) and (a)(2)(i), 45 CFR 233.20(a)(2)(vi), and 45 CFR 237.50(b)(3)(i) and (b)(4)(i); SSA-AT-80-32 and SSA-AT-86-01; and Section 11203, Welfare and Institutions Code.

<b>82-832</b>	<b>EXCLUDED PERSONS</b>	<b>82-832</b>
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|-----|-----------------------------------|---|
| .1  | Person Who Is Excluded By Law     | A person excluded from the AU by law is a person who:                                     |
| (a) | Child of AFDC-FC or Kin-GAP Child | Is a child living with his/her minor parent who is receiving AFDC-FC or Kin-GAP.          |
| (b) | Citizenship/ Alienage             | Does not meet the citizenship/alien status requirements.                                  |
| (c) | Father of Unborn                  | Is an unborn child's father who is living in the home with the pregnant woman and who is: |
|     | .131                              | Not the parent or caretaker relative of an eligible child, or                             |
|     | .132                              | Not an essential person.  |
| (d) | Other Aid                         | Receives SSI/SSP, Refugee Repatriate Payment (RRP), Kin-GAP or AFDC-FC.                   |
| (e) | Sponsored Noncitizen              | Is a sponsored noncitizen whose needs are being met by a sponsor's deemed income.         |

82-832	EXCLUDED PERSONS (Continued)	82-832
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| (f) | Spouse of Eligible Child                 | Is a spouse of an eligible child, living with the child in the senior parent's home, when there is no child in common for whom deprivation exists.  |
| (g) | Refugee Eligible for Alternative Project | Is a refugee who is eligible for and required to participate in an alternative project implemented pursuant to Section 412(e)(7) of the federal Immigration and Nationality Act 8 USC 1522(e)(7).   |
| (h) | Fleeing Felon                            | Is fleeing to avoid prosecution, or custody or confinement after conviction for a crime or attempt to commit a crime that is a felony. The existence of a warrant for arrest shall be presumed to be evidence of fleeing, unless rebutted by other evidence sufficient to prove that the individual had no knowledge that he/she is being sought by law enforcement.  |
| (i) | Violation of Probation or Parole         | Is in violation of a condition of probation or parole. The initial offense for which probation or parole was ordered need not have been a felony.   |
| (j) | Convicted Drug Felon                     | Has been convicted in a state or federal court of a felony that has as an element, the possession, use or distribution of a controlled substance. The conviction must be after December 31, 1997. Controlled substance is defined in Section 102(6) of the Controlled Substances Act (21 U.S.C. Section 802(6)) or Division 10 (commencing with Section 11000) of the Health and Safety Code. The term 'convicted' also includes a plea of guilty or nolo contendere. |

<b>82-832</b>	<b>EXCLUDED PERSONS (Continued)</b>	<b>82-832</b>
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.2	Sanctioned Persons	A person excluded from the AU due to a sanction, is:
.21	Child/Spousal Support	A parent, pregnant woman, or caretaker relative who refuses to assign support rights.
.22	Citizenship	A person who fails to cooperate in the verification of his/her citizenship or alien status.
.23	Welfare-to-Work	A non-exempt welfare-to-work participant who fails or refuses without good cause to meet program requirements, and:
.231		When the participant is a principal earner, the second parent is also ineligible unless he/she is participating in welfare-to-work activities.
.24	Social Security Number	An applicant or recipient; or a child whose parent, caretaker relative, or legal guardian who:
.241		Refuses or fails to furnish an SSN or evidence of a completed application for an SSN, or
.242		Refuses or fails to cooperate in verifying an SSN.
.25	Striking	A striker who is not a caretaker relative.
.26		Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.
.3	Add a Person Who Becomes Ineligible Prior to Authorization of Aid	Section 82-832.3(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

**82-832 EXCLUDED PERSONS (Continued)**

**82-832**

(QR)

A new person who has been mandatorily reported on the QR 7 and determined eligible based on the QR 7 information, shall be treated as an excluded person for the next QR Payment Quarter when ineligibility occurs after the QR Data Month but prior to the authorization of aid (see Section 40-171.221). This person's income and needs, as reported on the QR 7, shall be treated in accordance with Section 44-133.5 for the next QR Payment Quarter for the remaining AU members and the AU shall be discontinued at the end of that quarter in which the individual was treated as an excluded person, if the subsequent QR 7 establishes that ineligibility continues to exist for the AU.

[Previous cite: 44-206]

NOTE: Authority cited: Sections 10553, 10554, 10604, 11270, and 11369, Welfare and Institutions Code. Reference: 8 CFR 213a. and 299; 45 CFR 205.42(d)(2)(v)(A) and (B), as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808, 45 CFR 205.52, 45 CFR 206.10(a)(5)(i), 45 CFR 232.12(d), 45 CFR 233.10(a)(1)(i), (a)(1)(i)(B), and (a)(3), 45 CFR 233.20(a)(1)(i), (a)(3)(ii)(C) and (F), and (a)(3)(ix), 45 CFR 233.50, 45 CFR 233.51, 45 CFR 233.90(c), (c)(1), and (c)(2)(iv), 45 CFR 233.100(a)(5)(ii), 45 CFR 233.106, 45 CFR 240.22, and 45 CFR 250.34(a) and (c), and (c)(2); and Sections 11008.13, 11104, 11157, 11201(b), 11203, 11251.3, 11263.5, 11265.1, 11265.2, 11265.3, 11268, 11270, 11315, 11320.6(e), 11327.5(c), 11406.5, 11450, 11450.5, 11454, 11454.5, 11477, 11477.02, 11486, and 11486.5, Welfare and Institutions Code; and the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, Section 115.

**82-833 TIMED-OUT ADULTS**

**82-833**

- .1 A timed-out adult is an adult who has been removed from the AU due to exceeding the 60-month CalWORKs time limit specified in MPP Section 42-301. See MPP Section 44-133.8 for treatment of income and needs of timed-out adults.

NOTE: Authority cited: Sections 10553, 10554, 11270, and 11369, Welfare and Institutions Code. Reference: 45 CFR 205.42(d)(2)(v)(A) and (B), as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808, 45 CFR 205.52, 45 CFR 206.10(a)(5)(i), 45 CFR 232.12(d), 45 CFR 233.10(a)(1)(i), (a)(1)(i)(B), and (a)(3), 45 CFR 233.20(a)(1)(i), (a)(3)(ii)(C) and (F), and (a)(3)(ix), 45 CFR 233.50, 45 CFR 233.51, 45 CFR 233.90(c), (c)(1), and (c)(2)(iv), 45 CFR 233.100(a)(5)(ii), 45 CFR 233.106, 45 CFR 240.22, and 45 CFR 250.34(a) and (c), and (c)(2); and Sections 11008.13, 11104, 11157, 11201(b), 11203, 11251.3, 11263.5, 11268, 11270, 11315, 11320.6(e), 11327.5(c), 11406.5, 11450, 11454, 11454.5, 11477, 11477.02, 11486, and 11486.5, Welfare and Institutions Code; and the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, Section 115.

<b>82-836</b>	<b>FEDERAL AFDC PROGRAM FOR PREGNANT WOMEN</b>	<b>82-836</b>
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|-----|-------------------------|--|
| .1  | AU of One               | An AU of one without an eligible child shall be established when a pregnant woman, regardless of age, meets all of the following conditions: |
| .11 | Verification            | Medical verification of pregnancy is provided to the county, and   |
| .12 | Eligibility             | The pregnant woman and unborn child, if born and living with the mother, would be eligible for federal AFDC in the payment month, and        |
| .13 | Duration of Pregnancy   | The pregnancy has reached the three-month period before the month of anticipated birth (see State AFDC For Pregnant Women), and              |
| .14 | No Other AU Eligibility | The pregnant woman could not be included in another AU.  |

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| .15 |                        | See Section 42-762.7 regarding federal eligibility during the first and second trimesters for pregnant Cal-Learn participants with no other eligible children. |
| .2  | Pregnancy Special Need | A pregnant woman may be eligible to receive a pregnancy special need payment.  |

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[Previous cite: 44-205.6]

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: 45 CFR 233.10(a)(1) and (a)(1)(iv), 45 CFR 233.90(c)(2)(iv), and 45 CFR 206.10(a)(1)(vii); and Section 11450(b), Welfare and Institutions Code.

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AND CALIFORNIA WORK PAYS DEMONSTRATION PROJECT (CWPDP)**

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**CHAPTER 89-100 ASSISTANCE PAYMENTS DEMONSTRATION PROJECT (APDP)  
AND CALIFORNIA WORK PAYS DEMONSTRATION PROJECT (CWPDP)**

**89-101      FEDERAL DEMONSTRATION PROJECTS - INTRODUCTION      89-101**

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**.1      Background**

Pursuant to state law, the California Department of Social Services has requested and received federal approval for two California Demonstration Projects entitled the Assistance Payments Demonstration Project and the California Work Pays Demonstration Project. These Projects enable California, in accordance with their federally mandated Terms and Conditions, to implement certain new AFDC provisions.

The Assistance Payments Demonstration Project provisions are contained in Division 89. They include work incentive provisions, MAP reductions and a relocation grant restriction. The California Work Pays Demonstration Project provisions contained in Division 89 include increased property limits, restricted accounts, and the California Alternative Assistance Program. (For "Cal Learn" see Division 42.)

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**.2      Control Group**

Except for the provisions found in Chapter 89-700, related to the California Alternative Assistance Program, the county shall not apply the Division 89 Assistance Payments Demonstration Project and the California Work Pays Demonstration Project provisions to those applicants and recipients who are designated as members of the Projects' control groups. CAAP applies to both the experimental and control groups in all APDP/CWPDP counties. The designation and treatment of the control groups shall be accomplished pursuant to the Projects' mandated parameters outlined in the Federal Terms and Conditions as approved by the Secretary of the Department of Health and Human Services.

<b>89-101</b>	<b>FEDERAL DEMONSTRATION PROJECTS - INTRODUCTION</b>	<b>89-101</b>
	(Continued)	

NOTE: Authority cited: Sections 10553, 10554, 11201.5, 11209, and 11450(g), Welfare and Institutions Code. Reference: Sections 11155.1, 11155.2, 11201.5, 11280, 11450.01, and 11450.03, Welfare and Institutions Code; 45 CFR 233.20(a)(3)(I)(B); Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992; and Federal Terms and Conditions for the California Work Pays Demonstration Project as approved by the United States Department of Health and Human Services on March 9, 1994.

<b>89-105</b>	<b>ELIMINATION OF TIME LIMITATIONS FOR 30 AND 1/3 EARNED INCOME DISREGARD AND ELIMINATION OF THE 100-HOUR LIMIT</b>	<b>89-105</b>
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Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

<b>89-110</b>	<b>MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION</b>	<b>89-110</b>
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| .1 | MAP Amount | See Section 44-315.311(a) for the MAP amounts for recipients subject to the Assistance Payments Demonstration Project as specified in Section 89-100. |
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| .2   | Exempt and Nonexempt AUs | The CWD shall determine whether an AU is an Exempt or Nonexempt AU for purposes of the MAP amounts specified in Section 44-315.311 by using the rules in this section. |
| .21  | Rule                     | An Exempt AU is one in which the following persons meet at least one of the conditions listed in Sections 89-110.22 through .24.                                       |
| .211 | Parent/Relative          | Each parent, aided stepparent, and caretaker relative of a child who lives in the home of the aided child; or  |

89-110	<b>MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION</b> (Continued)	89-110
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| .212 | Aided Parent of Unaided Child                              | Each parent receiving aid because of an unaided excluded child; or  |
| .213 | Pregnant Woman Only  | The pregnant woman in an AU consisting of the woman only; or  |
| .214 | RCA AU   | Each adult or parent of a child aided under RCA in a Refugee Cash Assistance AU.  |
| .22  | Receives Benefits  | Receives at least one of the following:   |
| .221 | SSI/SSP  | Supplemental Security Income/State Supplemental Payments (SSI/SSP); or  |
| .222 | IHSS   | In-Home Supportive Services (IHSS); or  |
| .223 | SDI  | State Disability Insurance (SDI); or  |
| .224 | TWC  | Temporary Worker's Compensation (TWC - Temporary Disability Indemnity - TDI).   |
| .225 | Repealed by Manual Letter No. EAS-98-01, effective 1/1/98. |   |
| .23  | Unaided Non-parent Caretaker                               | Is an unaided, non-parent caretaker relative.   |
| .24  | (Reserved)   |   |
| .25  | Minor Parents and Pregnant Women                           | For purposes of Section 89-110.21:  |
| .251 | Minor Parent   | A minor parent aided as an eligible child is considered to be a parent.   |
| .252 | Pregnant Woman   | A pregnant woman is not considered in the determination of an AU's exempt status unless she is a parent, caretaker relative or aided stepparent of existing children or the sole member of an AU consisting of a pregnant woman only or an adult aided under RCA. |

89-110	MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION (Continued)	89-110
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| .26  | Review of AU Exemption Status                    | The CWD shall review AU exemption status when:   |
| .261 | GAIN Exemption                                   | An AU member is determined exempt from GAIN due to incapacity as specified in Section 42-793 or care of another individual in the household as specified in Section 42-795.  |
| .262 |  | Section 89-110.262(MR) shall become inoperative and Section 89-110.262(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration. |
| (MR) | Monthly Eligibility Report Received              | The CWD processes the Monthly Eligibility Report submitted by the AU.  |
| (QR) | Quarterly Eligibility Report Received            | The county processes the Quarterly Eligibility Report submitted by the AU.   |
| .263 | Application or Add Person                        | The AU makes an initial application, reapplication or requests that a parent or caretaker relative be added to the AU.   |
| .264 | Request a Review or Report a Change              | A parent, caretaker relative or RCA adult associated with the AU requests review of AU status or reports a change applicable to the AU status.   |
| .27  | Exempt AU Status                                 | The CWD shall consider that an AU is an Exempt AU when, on or after application for AFDC, the AU meets the rule in Section 89-110.21 and is also eligible for AFDC or, for RCA AUs, eligible for RCA.                |
| .271 | If Exempt Status Results from Request for Review | When Exempt AU status results from a request for review by the AU, the CWD shall not treat the AU as an Exempt AU for any month prior to the month of request.   |

89-110	MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION	89-110
	(Continued)	

.28	Section 89-110.28(MR) et seq. shall become inoperative and Section 89-110.28(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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(MR) Use of Exempt AU MAP Amount	The CWD shall use the Exempt AU or Nonexempt AU MAP in the budgeting process as follows:
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(QR) Use of Exempt/Nonexempt Amount	The county shall use the Exempt or Nonexempt AU MAP corresponding to the AU's MAP status that is reasonably anticipated for the QR Payment Quarter. (Also see Sections 89-110.291(QR) and .292(QR).)
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.281	Section 89-110.281(MR) shall become inoperative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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(MR) During Prospective Budgeting	During prospectively budgeted months, the CWD shall use the MAP corresponding to the AU status in that month.
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.282	Section 89-110.282(MR) shall become inoperative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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(MR) During Retrospective Budgeting	During retrospective budgeted months, the CWD shall use the MAP corresponding to the AU status in the budget month except as provided in Section 89-110.283(MR).
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.283	Section 89-110.283(MR) shall become inoperative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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89-110	MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION	89-110
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(Continued)

(MR)	Transition From Application	For the month of beginning date of aid, and for the three subsequent months, when the month of beginning date of aid and subsequent month are prospectively budgeted, the CWD shall use the MAP corresponding to the actual AU exemption status existing in the month.
.29		Section 89-110.29(MR) shall become inoperative and Section 89-110.29(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(MR)	Change in Status	Except as specified in Section 89-110.283(MR), when the AU status changes between Exempt and Nonexempt, the CWD shall change the MAP effective for the payment month when the first month of the new status is the budget month.
(QR)		When the AU status changes between exempt and nonexempt, the county shall change the MAP status effective as follows:
.291		Section 89-110.291(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(QR)		If the change is reported on the QR 7, the change in status shall be effective the first day of the next QR Payment Quarter.
.292		Section 89-110.292(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(QR)		If the change is reported mid-quarter and the change in status will increase cash aid as specified in Section 44-316.31(QR), the change in status shall be effective the first day of the month following the report of the change when verification has been provided.

<b>89-110</b>	<b>MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION</b>	<b>89-110</b>
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.3 Handbook Section 89-110.3(MR) shall become inoperative and Handbook Section 89-110.3(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Examples of Exempt and Nonexempt AUs, Financial Eligibility Determination, and Grant Calculation

(QR) Examples of Exempt and Nonexempt AUs, Financial Eligibility Determination, Quarterly MAP Status Determination, and Mid-Quarter MAP Status Changes

.31 Examples of Exempt and Nonexempt AUs

Example 1 – Exempt AU – Receipt of SDI and SSI/SSP

The family consists of two parents and their two children with eligibility based upon incapacity. One parent receives SDI and the second parent receives SSI/SSP. Since each parent receives one of the benefits specified in Section 89-110.22, the CWD uses the Exempt MAP.

Example 2 – Exempt AU – Disabled Pregnant Woman Only (PWO)

Because a pregnant woman is the only member of her AU and receives one of the benefits specified in 89-110.22, the CWD uses the Exempt MAP.

Example 3 – Nonexempt AU – Receipt of Private Disability Insurance

The AU consists of a parent and his aided child. The parent receives private insurance benefits from his employer; however, this income is not one of the benefits specified in Section 89-110.22 and the parent does not meet any other criterion to receive an exemption. The CWD uses the Nonexempt MAP.

Example 4 – Exempt AU – Unaided Non-Parent Caretaker Relative

An aunt is receiving aid for her nephew. The AU consists of the child only. The CWD uses the Exempt MAP as the aunt meets the exemption in 89-110.23; she is an unaided non-parent caretaker relative.

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**HANDBOOK CONTINUES**

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<b>89-110</b>	<b>MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION</b>	<b>89-110</b>
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**Example 5 – Nonexempt AU – Parent with SSI/SSP Child**

The AU consists of a mother and her child, who receives SSI/SSP. The mother does not receive one of the benefits specified in Section 89-110.22 or meet any other criterion to receive an exemption. Because the parent in the AU must meet the criteria in Section 89-110.21 and .22, the CWD uses the Nonexempt MAP.

**Example 5a – Exempt AU – SSI/SSP Parent with Child.**

The AU consists of a father who receives SSI/SSP and his child. The father receives one of the benefits in Section 89-110.22. The CWD uses the Exempt MAP.

**Example 6 – Nonexempt AU – Minor Parent**

The AU consists of a senior parent and her children. One of the senior parent's children is a 17-year-old minor parent. The minor parent's child is also in the AU. The senior parent receives SDI. The minor parent aided as an eligible child in the senior parent's case is considered to be a parent as specified in Section 89-110.251. The minor parent does not receive one of the benefits specified in Section 89-110.22 or meet any other criterion to receive an exemption. Because both senior parent and minor parent are considered parents in determining exempt status, and all parents in an AU must receive one of the benefits in Section 89-110.22, the CWD uses the Nonexempt MAP.

**Example 7 – Nonexempt AU – Aided Stepparent**

The AU consists of a father, the father's children, and an aided stepmother. The stepmother is pregnant, but she is not the parent or caretaker relative of any of the aided children. The father receives temporary workers compensation (TWC). The aided stepmother does not receive one of the benefits specified in Section 89-110.22 or meet any other criterion to receive an exemption. The CWD uses the Nonexempt MAP as both the parent and the aided stepmother must meet an exemption as required by Section 89-110.211.

**Example 8 – Exempt AU – Unaided Stepparent**

The family consists of a mother, the mother's children and an unaided stepfather. The mother receives SSI/SSP and is not in the AU. The stepfather, who is not the parent of any of the aided children, is unaided; therefore, he is not considered in determining the AU's exemption status. The CWD uses the Exempt MAP.

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**HANDBOOK CONTINUES**

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<b>89-110</b>	<b>MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION</b>	<b>89-110</b>
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Example 9 – Nonexempt AU – Undocumented Immigrant Father

The family consists of a mother, the mother's children, and the father, who is an undocumented immigrant. Eligibility is based on unemployment. The mother receives SDI. The father does not receive one of the benefits specified in Section 89-110.22 or meet any other exemption criterion. The CWD uses the Nonexempt MAP, as each parent must meet one of the criterion to receive an exemption even if they are not aided due to exclusion.

Example 10 – Request for Review of AU Status by the AU

The AU consists of two parents and their two children, with deprivation based on unemployment. The AU receives the Nonexempt MAP. In June, the father requests a review of the AU status, as he has been determined to be exempt from welfare-to-work participation due to disability as specified in Section 42-712.44. The wife's application for IHSS was denied and she does not meet any other criterion for an exemption. Since both the father and the mother must receive one of the benefits specified in Section 89-110.22 or meet one other criterion to receive an exemption, the CWD uses the Nonexempt MAP.

.32 Handbook Section 89-110.32(MR) shall become inoperative and Handbook Section 89-110.32(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Determining Financial Eligibility

(QR) Determining MAP Status for Applicants

Handbook Section 89-110.32(MR) Example 11 shall become inoperative and Handbook Section 89-110.32(QR) Example 11 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 11 – Determining Status in the Month of Application

(MR) An initial application is made January 4 for an AU consisting of a father and two children. The father receives SSI/SSP at application. The SSI/SSP ends on February 28. Because eligibility is always determined concurrently, the CWD uses the Exempt MAP to determine financial eligibility for January and February and the Nonexempt MAP for March.

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**HANDBOOK CONTINUES**

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<b>89-110</b>	<b>MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION</b>	<b>89-110</b>
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(QR) Example 11 – Determining MAP Status for Applicants

(QR) An initial application is made January 4 for an AU consisting of a father and two children. The applicant AU is placed in a January/February/March quarter. When applying for aid, the father was in receipt of SSI/SSP. Since the MAP status is determined prospectively for the entire quarter based on the applicant's status at the time application is made, the county uses the Exempt MAP to determine financial eligibility and cash aid for the entire quarter.

Handbook Section 89-110.32(MR) Examples 12 and 13 shall become inoperative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 12 – Determining Status for Recipients

(MR) The recipient began receiving SDI on January 5. The recipient reported the income timely and provides proof of the income. Based on these facts, the recipient's status changed to Exempt effective as of the month of February. Because eligibility is always determined concurrently, and assuming the recipient continues to receive SDI during these months, the CWD should use exempt MAP to determine financial eligibility for February, March, and following months until the recipient's status changes.

(MR) Example 13 – The AU Changes from Nonexempt to Exempt to Nonexempt MAP

(MR) An AU consists of a mother and her child. The mother begins receiving SDI on March 15 and the SDI ends on April 22. To determine financial eligibility, the CWD uses the Nonexempt MAP for March because the mother began receiving the SDI after the first of the month, Exempt MAP for April because she was eligible for the Exempt MAP on the first of the month, and Nonexempt MAP for May and all subsequent months because she did not receive SDI benefits in those months.

.33 Handbook Section 89-110.33(MR) shall become inoperative and Handbook Section 89-110.33(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Calculating the Grant

(QR) Determining MAP Status for Recipients

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**HANDBOOK CONTINUES**

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Handbook Section 89-110.33(MR) Example 14 shall become inoperative and Handbook Section 89-110.33(QR) Example 14 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 14– Transition to Retrospective - Budgeting Continuous Status

(MR) Aid is effective July 12 for an AU consisting of a father and his child. The father reports that he is receiving TDI at application but it is expected to end on October 5; he is not expected to get any of the other benefits specified in Section 89-110.22. The CWD uses the exempt status for the prospectively budgeted months of July and August. The father confirms that his TDI ended in October. The exempt MAP status will be used for the corresponding budgeted months for November and December. The CWD will begin to use the nonexempt MAP for the January grant payment.

(QR) Example 14– Determining Status for Recipients

(QR) An existing AU is in an October/November/December quarter. On the November QR 7, the recipient reported the receipt of SDI in the Data Month. The county agrees with the recipient's QR 7 information and uses the Exempt MAP status to determine financial eligibility and cash aid for the next QR Payment Quarter.

Handbook Section 89-110.33(MR) Example 15 shall become inoperative and Handbook Section 89-110.33(QR) Example 15 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 15 – Late Discovery Due to Client's Failure to Timely Report

(MR) The AU consists of a parent and his child. The father starts receiving SDI in June but does not report the income to the CWD until November. The father provides verification of this income in November and requests review of his status. The first month of Exempt status is November, since MPP Section 89-110.271 provides that the status change shall not be effective for any months prior to a request for review when the status change results from a request for review. Because the AU is already in retrospective budgeting, the CWD provides the AU with the appropriate notice of action and begins to use the Exempt MAP for January, the payment month that corresponds to the budget month that reflects the father's new status.

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**HANDBOOK CONTINUES**

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89-110 (Cont.)	<b>DEMONSTRATION PROJECTS</b> <b>APDP AND CWPDP</b>	<b>Regulations</b>
<b>89-110</b>	<b>MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION</b> (Continued)	<b>89-110</b>

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**HANDBOOK CONTINUES**

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(QR) Example 15 – Late Discovery Due to Client’s Failure to Timely Report

(QR) The AU consists of a parent and his child. The AU is in an April/ May/June quarter. The father starts receiving SDI in May but does not report the information on the QR 7. On July 2, the father voluntarily requests mid-quarter review of his status and provides the appropriate verification of his exempt status. The first month the Exempt MAP status is effective is August. Section 89-110.271 provides that the MAP status change shall not be effective for any months prior to a request for review when the status change results from a request for review and Section 89-110.292(QR) provides that increases to aid due to a recipient mid-quarter voluntary report are not effective until the first of the month following the report.

Handbook Section 89-110.33(MR) Example 16 shall become inoperative and Handbook Section 89-110.33(QR) Example 16 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director’s QR/PB Declaration.

(MR) Example 16 – Late Discovery Due to Administrative Error

(MR) The AU consists of a parent and her child. The AU is in retrospective budgeting. The parent begins receiving TWC on May 6; she reports the income and provides verification on the Monthly Report for May. The CWD did not begin using the income or the appropriate Exempt MAP for the August payment month due to administrative error. In November, the CWD conducts an annual redetermination and discovers the error. At that time, the parent requests review of the AU status. The change in the AU’s status should have been known to the CWD based on the timely submitted monthly eligibility report (CW 7), rather than solely on the parent's request for review. The CWD acts to process the case based on the actual report of income and to recompute the grant for overpayment or underpayment purposes. The CWD provides the AU with the appropriate notice of action and begins to use the Exempt MAP for August, the payment month that corresponds to the budget month that reflects the status change.

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**HANDBOOK CONTINUES**

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**HANDBOOK CONTINUES**

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(QR) Example 16 – Late Discovery Due to Administrative Error

(QR) The AU consists of a mother and her child. The AU is in an April/May/June quarter. The mother's SDI benefits end on May 11 and the mother no longer qualifies for the Exempt MAP status. The AU reports the information correctly on their May QR 7 due in June. However, the county incorrectly processes the QR 7 and continues to use the Exempt MAP status for the July/August/September quarter. In July, the county discovers the error. Since the effective date of the MAP status change for the QR Payment Quarter was July 1, the county shall take mid-quarter action to correct the error. The county shall recompute eligibility and cash aid for the entire QR Payment Quarter using the nonexempt status. The county shall recompute aid for the remaining months of the quarter and shall make an overpayment or underpayment determination for the month of July.

Handbook Section 89-110.33(MR) Example 17 shall become inoperative and Handbook Section 89-110.33(QR) Example 17 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 17 – Initial Application – Prospective Budgeting – Change to Exempt

(MR) An initial application is made June 10 for an AU consisting of a parent and his child. June and July are the AU's prospectively budgeted months. On June 14 the parent begins receiving TWC. The applicant reports timely and provides proof of the income to the CWD. The CWD provides the AU with the appropriate notice of action and shall use the Exempt MAP for the June payment month.

(QR) Example 17 – Mid-Quarter Status Review Request

(QR) An existing AU, a father and his child, is in an April/May/June quarter. Eligibility and cash aid for this quarter has been determined using the February QR 7 information. On May 15, the recipient voluntarily reports mid-quarter that they began receiving SDI in lieu of their full time job on May 7. The recipient provides the necessary verification within 10 days of the report. The county determines that this voluntary mid-quarter report will increase cash aid (see Section 44-316.31(QR)). The county changes the recipient's MAP status for the AU from Nonexempt MAP to Exempt MAP beginning in June and will continue to use the status until the AU reports a status change on either the QR 7 or a mid-quarter report.

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**HANDBOOK CONTINUES**

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<b>89-110</b>	<b>MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION</b>	<b>89-110</b>
	(Continued)	

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**HANDBOOK CONTINUES**

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Handbook Section 89-110.33(MR) Example 18 shall become inoperative and Handbook Section 89-110.33(QR) Example 18 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 18 – Determining the Month of Change when The Family Is In Retrospective Budgeting

(MR) A family with a nonneedy caretaker relative gets Exempt MAP. The father joins the AU in mid-November. He does not receive one of the benefits specified in Section 89-110.22 or meet any other criterion to receive an exemption. The AU is in retrospective budgeting. The AU's Exempt status ends on November 30. However, since the father joined the AU in November, after the first of the month, the AU is entitled to the Exempt MAP for December and January, based on the AU's Exempt status for the budget months of October and November. The CWD will use the Nonexempt MAP for February, the payment month that corresponds to the budget month that reflects the status change (December). Except as specified in Section 89-110.283(MR) [regarding beginning date of aid and prospective budgeting], when the AU status changes between Exempt and Nonexempt, the CWD shall change the MAP effective for the payment that corresponds to the budget month that reflects the status change

(QR) Example 18 – Mid-Quarter Voluntary Report to Add a Person

(QR) An AU of one, a pregnant woman only case, is in an October/November/December quarter. The AU has been receiving aid based on exempt MAP status in accordance with Section 89-110.213. On November 5, the mother voluntarily reports to the county, the birth of the child and requests aid for the child. When determining the eligibility to add the child December 1, the county determines that the potentially "new AU" (the existing AU and the added the person) does not meet exempt MAP status. The county uses the Nonexempt MAP status to determine if the child is CalWORKs eligible and if the newborn's addition into the existing AU increases the grant. If the newborn increases cash aid for the existing AU, the Nonexempt MAP status shall be effective December 1 and will continue until a change in status is reported on either a QR 7 or a mid-quarter report.

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**HANDBOOK CONTINUES**

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<b>89-110</b>	<b>MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION</b>	<b>89-110</b>
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(Continued)

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**HANDBOOK CONTINUES**

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(QR) If the newborn's addition into the AU would decrease cash aid, the Nonexempt MAP status shall be effective the first day of the next QR Payment Quarter and will continue until a change in status is reported on either a QR 7 or a mid-quarter report.

Handbook Sections 89-110.33(MR) Examples 19 through 24 shall become inoperative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 19 – Transition from Application – Retrospective Budgeting

(MR) An initial application is made July 12 for an AU consisting of a parent and her children. The parent receives TWC at application. July and August are the prospectively budgeted months. September and October are the corresponding two retrospectively budgeted months. The TWC ends in September. The CWD uses the Exempt MAP for July, August, and September and the Nonexempt MAP for October, corresponding to the actual AU status existing in each of these months as specified in Section 89-110.283(MR). Exempt MAP is used for November (because the AU received Exempt MAP in September) and Nonexempt MAP for December (because the AU had Nonexempt MAP in October). Additionally, Nonexempt MAP is used for all months after December, corresponding to the AU status in the budget month as specified in Section 89-110.29(MR).

(MR) Example 20 – Timely Discovery – Nonexempt to Exempt

(MR) The AU consists of a father and his son and the AU is getting the Nonexempt MAP. The AU is in retrospective budgeting. The father reports and verifies that he started getting SSI/SSP on November 15 on the Monthly Report for November. The Nonexempt MAP continues for December and January based on the Nonexempt status for the months of October and November. The father's status change becomes effective December 1. The CWD provides the AU with the appropriate notice of action and begins to use the Exempt MAP for February, the payment month that corresponds to the budget month that reflects the status change.

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**HANDBOOK CONTINUES**

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<b>89-110</b>	<b>MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION</b>	<b>89-110</b>
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(Continued)

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**HANDBOOK CONTINUES**

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| (MR) Example 21 - CalWORKs Welfare to Work (WTW) Sanction – Nonexempt to Exempt

| (MR) The AU consists of one parent and two aided children. The AU receives Nonexempt MAP. The AU is in retrospective budgeting. On January 1, the parent started a six-month sanction period for non-cooperation with the CalWORKs WTW requirements. On the Monthly Report for February, the parent reported and verified that he started to receive SDI on February 15. The change in the AU's status from Nonexempt to Exempt MAP is effective March 1. The parent's WTW sanction has no impact on Exempt/Nonexempt MAP status. Therefore, since the AU was already using retrospective budgeting, the Nonexempt MAP continues for March and April based on the Nonexempt status in January and February. The CWD provides the AU with the appropriate notice of action and begins to use the Exempt MAP for May, the payment month that corresponds to the budget month that reflects the status change.

| (MR) Example 22 - Add A Person – Nonexempt to Exempt

| (MR) An existing AU consists of a parent and her child. The parent does not meet any exemption criterion specified in Section 89-110.2 and the CWD is using the Nonexempt MAP. The AU is in retrospective budgeting. On June 10, that parent (mother) reports and verifies receipt of SSI/SSP. On June 12, the second parent joins the home. The second parent receives TDI benefits and is added to the AU effective June 12 using the current Nonexempt MAP. Since each parent meets the exemption criterion, the CWD provides the AU with the appropriate notice of action and begins to use the Exempt MAP for September, the payment month that corresponds to the budget month (July) that reflects the status change.

| (MR) Example 23 – Add A Person – Exempt to Nonexempt

| (MR) The AU consists of a grandmother and her two aided grandchildren. The grandmother receives TWC. The mother and father, who are unemployed, move back into the home in March. Neither parent receives one of the benefits specified in Section 89-110.22 or meets any other criterion to receive an exemption. Since the AU was already using retrospective budgeting, the Exempt MAP continues for April and May based on the Exempt status for February and March. The CWD provides the AU with the appropriate notice of action and begins to use the Nonexempt MAP in June, the payment month that corresponds to the budget month (April) that reflects the status change.

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**HANDBOOK CONTINUES**

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<b>89-110</b>	<b>MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION</b>	<b>89-110</b>
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(Continued)

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**HANDBOOK CONTINUES**

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(MR) Example 24 – Delete A Person – Exempt to Nonexempt

(MR) A family consists of two parents and their child with deprivation based on incapacitated parent. One parent receives SSI/SSP and is not in the AU; the second parent, who is in the AU, receives SDI. The AU is in retrospective budgeting and the CWD is using the Exempt MAP. In June, the parent who receives SSI/SSP leaves the home and the second parent's SDI ends. The needs and income of the parent who left are not used for July and continuing. However, since the AU was already using retrospective budgeting, the Exempt MAP continues for July and August based on the Exempt status for May and June. The CWD provides the AU with the appropriate notice of action and begins to use the Nonexempt MAP for September, the payment month that corresponds to the budget month (July) that reflects the status change.

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**HANDBOOK ENDS HERE**

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.4 Relocation Family Grant

IN ACCORDANCE WITH THE GREEN V. ANDERSON COURT ORDER, THIS PROVISION SHALL NOT BE IMPLEMENTED UNTIL A DETERMINATION BY A COURT OF APPROPRIATE JURISDICTION ALLOWS SUCH IMPLEMENTATION.

Relocation Family Grant (RFG) means the maximum amount of aid payable to an AU when no member of the AU has lived in California for 12 consecutive months immediately prior to the date of application.

89-110	<b>MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION</b>	89-110
	(Continued)	

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|------|------------------------------|---|
| .41  | Relocation Family Grant Rule | When the RFG is applicable, the county shall compare and base aid on the lesser of:   |
| .411 | CA Computed Grant Amount     | The California computed actual grant amount for a full month, excluding overpayment adjustments, or   |
| .412 | Other State MAP              | The MAP amount of the previous state or U.S. Territory of residence, plus California special needs when included in Section 89-110.411.   |
|      | (a)                          | When all members of the AU have not lived in the same prior state, the county shall compare the California computed grant amount to the highest MAP amount of the prior states of residence involved.   |
|      | (b)                          | The county shall semi-annually update the other state MAP amounts effective with the April and October payment months with figures provided by the California Department of Social Services which are based upon U.S. Department of Health and Human Services data. |

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**HANDBOOK BEGINS HERE**

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| .42 | Grant Adjustment | Upon determination of the lesser amount of either the California computed actual grant amount or the prior state MAP, the grant will be adjusted for partial month proration, homeless assistance payment and overpayments, as applicable. |
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| .43 | Reduced Income Supplemental Payment (RISP), Homeless Assistance Payment for Permanent Housing and Overpayment Adjustment Computation | For the purpose of determining the RISP, homeless computing assistance payment for permanent housing, and overpayment adjustments, the MAP specified in Sections 44-402, 44-211.531 and 44-352.41 shall be the lesser of the California MAP or the MAP of the previous state of residence used in the RFG computation. |
|-----|--|--|

<b>89-110</b>	<b>MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTIONS</b>	<b>89-110</b>
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(Continued)

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| .44 | How Long | The county shall apply the RFG rule until any member of the AU has lived in California for 12 consecutive months. |
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| .45 | RFG Example | A mother and her three children arrive in California from Mississippi in April. Four months later (August), they apply for AFDC. The RFG rule will apply to the AU for eight months. (Twelve month residency requirement minus four months in California equals eight RFG months). Their RFG period will end March 31st of the following year. |
|-----|-------------|--|

After the AU received aid for one month, the children's father moves into the home (September). He is the unemployed principal earner and there is federal eligibility. The father has been in California for ten months and was living in Nevada prior to coming to California.

Since the father lived in California longer than anyone else in the AU, the AU will only have two remaining RFG months, which includes the first month of aid for the father. Therefore, the AU's new RFG period will end October 31st.

The county will use Nevada's MAP which is higher than Mississippi's MAP when applying the RFG rule.

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NOTE: Authority cited: Sections 10553, 10554, 11209, and 11450(g), Welfare and Institutions Code. Reference: Sections 10553, 10554, 11265.1, 11265.2, 11265.3, 11450.01, 11450.015, 11450.03, and 11450.5, Welfare and Institutions Code; Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992; and Memorandum of Decision and Order in Green v. Anderson, (Civ. S-92-2118) dated January 28, 1993; and Letters from the Department of Health and Human Services, Administration for Children and Families, dated February 29, 1996, March 11, 1996, and March 12, 1996.

<b>89-115</b>	<b>INCREASED PROPERTY LIMITS FOR RECIPIENTS</b>	<b>89-115</b>
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|-----|----------------------------|---|
| .1  | General                    | The county shall apply the following property limits to an AU which includes at least one recipient:  |
| .11 | \$2,000 Property Limit     | \$2,000 for property as specified in Section 89-120,  |
| .12 | \$4,500 Motor Vehicle      | \$4,500 for one motor vehicle as specified in Section 89-125, and   |
| .13 | \$5,000 Restricted Account | \$5,000 for restricted accounts as specified in Section 89-130.   |
| .2  | Excess Property Discovered | When an application has been approved and the county subsequently discovers that the AU's property exceeded the \$1,000 property limit on the date of approval, the county shall not apply any of the increased property limits specified in Section 89-115.1 until the first day of the month following the date the AU's property is at or below the \$1,000 property limit for applicants. |

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**HANDBOOK BEGINS HERE**

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|-------------|---|---|--------|-----------------|-------------|---|--------|--------------------------|
| .21         | Example 1                                     | On July 1st, a family applies for aid and the county approves the AFDC application (i.e., authorizes aid) based on the following property:  |        |                 |             |   |        |                          |
|             |   | <table><tr><td>\$ 700</td><td>savings account</td></tr><tr><td><u>+150</u></td><td>cash surrender value on life insurance policy</td></tr><tr><td>\$ 850</td><td>total countable property</td></tr></table>   | \$ 700 | savings account | <u>+150</u> | cash surrender value on life insurance policy | \$ 850 | total countable property |
| \$ 700      | savings account                               |   |        |                 |             |   |        |                          |
| <u>+150</u> | cash surrender value on life insurance policy |   |        |                 |             |   |        |                          |
| \$ 850      | total countable property                      |   |        |                 |             |   |        |                          |
|             |   | In November, a Quality Control reviewer discovers that the cash surrender value of the life insurance policy was actually \$350 on July 1st (total property = \$1,050). The county determines that the AU had excess property over the \$1,000 limit for applicants from July through October (when the AU spent down their savings). |        |                 |             |   |        |                          |

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**HANDBOOK CONTINUES**

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<b>89-130</b>	<b>RESTRICTED ACCOUNTS FOR RECIPIENTS</b>	<b>89-130</b>
	(Continued)	

	(B)	divide the result by the minimum basic standard of adequate care (MBSAC) for the number of persons in the AU, plus any special needs; and
	(C)	round down the result to the nearest whole number for the number of months of ineligibility.
	(l) Applying the Period of Ineligibility	Section 89-130(l)(MR) shall become inoperative and Section 89-130(l)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
	(MR)	When the county determines that a period of ineligibility is applicable, the period of ineligibility shall begin on the first day of the month following the nonqualifying withdrawal.
	(QR)	When the county determines that a period of ineligibility is applicable, the period of ineligibility shall begin on the first day of the month of the next QR Payment Quarter following the reported nonqualifying withdrawal on the QR 7 and continue for the determined number of months.
	(1)	Section 89-130(l)(1)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
	(MR) One Month of Ineligibility	When ineligibility exists for only one month, the county shall suspend aid on the first day of the month following the nonqualifying withdrawal.

89-130	RESTRICTED ACCOUNTS FOR RECIPIENTS (Continued)	89-130
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**HANDBOOK BEGINS HERE**

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(m) Examples

(1)	Example 1:	Handbook Section 89-130(m)(1)(MR) et seq. shall become inoperative and Handbook Section 89-130(m)(1)(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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(MR)	Bank balance prior to 5/96 withdrawal:	\$5,000
	Amount withdrawn from account:	\$4,500
	Amount used to purchase home:	\$3,000
	Amount used to buy furniture:	\$1,500

(A)	Since the AU used a portion of the withdrawal on a nonallowable expenditure, the county shall calculate a period of ineligibility as follows:
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- |               |  |         |                             |               |  |         |           |  |
|---------------|--|---------|-----------------------------|---------------|--|---------|-----------|--|
| 1.            | <table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">\$5,000</td> <td style="width: 70%;">balance prior to withdrawal</td> </tr> <tr> <td><u>-3,000</u></td> <td>allowable expense for purchase of home</td> </tr> <tr> <td>\$2,000</td> <td>remainder</td> </tr> </table> | \$5,000 | balance prior to withdrawal | <u>-3,000</u> | allowable expense for purchase of home | \$2,000 | remainder |  |
| \$5,000       | balance prior to withdrawal  |         |                             |               |  |         |           |  |
| <u>-3,000</u> | allowable expense for purchase of home   |         |                             |               |  |         |           |  |
| \$2,000       | remainder  |         |                             |               |  |         |           |  |
| 2.            | Divide the remainder (\$2,000) by MBSAC + special needs for an AU of 3<br>(\$2,000 divided by \$715 = 2.79)  |         |                             |               |  |         |           |  |
| 3.            | Round down the result to the nearest whole number (2).   |         |                             |               |  |         |           |  |
| 4.            | The AU is ineligible for two months beginning 6/96 due to a nonqualifying withdrawal.  |         |                             |               |  |         |           |  |

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**HANDBOOK CONTINUES**

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<b>89-130</b>	<b>RESTRICTED ACCOUNTS FOR RECIPIENTS (Continued)</b>	<b>89-130</b>
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**HANDBOOK BEGINS HERE**

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|------|---------------|---|----|---------|-----------------------------|--|---------------|--|--|---------|-----------|
| (QR) |               | <p>An AU of Three is in a April/May/June Quarter.</p> <p>Bank balance prior to May withdrawal: \$5,000</p> <p>Amount withdrawn from account: \$4,500</p> <p>Amount used to purchase home: \$3,000</p> <p>Amount used to buy furniture: \$1,500</p>  |    |         |                             |  |               |  |  |         |           |
|      | (A)           | <p>Since the AU used a portion of the withdrawal on a nonallowable expenditure, the county shall calculate a period of ineligibility as follows:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 5%;">1.</td> <td style="width: 35%;">\$5,000</td> <td style="width: 60%;">balance prior to withdrawal</td> </tr> <tr> <td></td> <td><u>-3,000</u></td> <td>allowable expense for purchase of home</td> </tr> <tr> <td></td> <td>\$2,000</td> <td>remainder</td> </tr> </table> <p>2. Divide the remainder (\$2,000) by MBSAC + special needs for an AU of three<br/>(\$2,000 divided by \$891 = 2.24 months)</p> <p>3. Round down the result to the nearest whole number (two months).</p> <p>4. The AU is ineligible for two months. The AU shall be discontinued at the end of June. The AU can reapply for aid on September 1.</p> | 1. | \$5,000 | balance prior to withdrawal |  | <u>-3,000</u> | allowable expense for purchase of home |  | \$2,000 | remainder |
| 1.   | \$5,000       | balance prior to withdrawal   |    |         |                             |  |               |  |  |         |           |
|      | <u>-3,000</u> | allowable expense for purchase of home  |    |         |                             |  |               |  |  |         |           |
|      | \$2,000       | remainder   |    |         |                             |  |               |  |  |         |           |
|      | (2)           | <p>Handbook Section 89-130(m)(2)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.</p>   |    |         |                             |  |               |  |  |         |           |

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**HANDBOOK CONTINUES**

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89-130	<b>RESTRICTED ACCOUNTS FOR RECIPIENTS</b> (Continued)	89-130
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**HANDBOOK CONTINUES**

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(MR) Example 2:

An AU of three has the following property:

\$ 100	checking account
+1000	restricted account
<u>+ 800</u>	savings account
\$ 1900	Total

(A)

The AU wants to buy new furniture and withdraws all of their funds from their accounts, including the restricted account, to pay for the purchases in 5/96. The county determines that the AU made a nonqualifying withdrawal.

(B)

Although the AU's total property reserve prior to the nonqualifying withdrawal is under the \$2,000 property limit, the county will calculate a period of ineligibility as follows:

- |    |  |        |
|----|--|--------|
| 1. | Balance prior to nonqualifying withdrawal in 5/96                        | \$1000 |
| 2. | Divide by MBSAC for 3 (\$715)  |        |
| 3. | Result   | 1.3    |
| 4. | Round down to nearest whole number for number of months of ineligibility | 1      |

(C)

Since the period of ineligibility is only for one month, aid for 6/96 will be suspended rather than discontinued. As the AU members will retain their recipient status, the higher property limits will continue to apply.

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**HANDBOOK ENDS HERE**

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(n) Shortening The Period of Ineligibility

The county shall shorten the period of ineligibility when the AU reapplies for aid and the standard of need increases.



<b>89-130</b>	<b>RESTRICTED ACCOUNTS FOR RECIPIENTS</b>	<b>89-130</b>
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(Continued)

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|-----|-------------|---|
| (1) |             | An increase in the standard of need includes any increase in AU size, general increase in the MBSAC (COLA increases), or a determination that the ineligible family would be eligible for a special need item as specified in Section 44-211. |
| (2) | Calculation | To shorten the period of ineligibility due to an increase in the standard of need, the county shall:  |
| (A) |             | Identify the restricted account balance used to calculate the original period of ineligibility.   |
| (B) |             | Identify the original MBSAC plus any special needs allocated to the ineligible family unit and multiply it by the number of ineligible months prior to the increase. Subtract the total from the amount in Section 89-130(n)(2)(A).           |
| (C) |             | Divide the result calculated in Section 89-130(n)(2)(B) by the increased standard of need. Round down the result to the nearest whole number.   |
| (D) |             | The revised period of ineligibility is the final result in Section 89-130(n)(2)(C) plus the number of ineligible months prior to the increase.  |
| (E) |             | The revised period of ineligibility shall begin in the same month as the original period of ineligibility.  |

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**HANDBOOK BEGINS HERE**

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|---------|--|--|---------|--|--------|----------------|---|-----------------------------------|---------|------------------------------|
| (3)     | Example  | An AU of two is in a period of ineligibility due to a nonqualifying withdrawal. The pertinent facts of the period of ineligibility are as follows:   |         |  |        |                |   |                                   |         |                              |
| (A)     |  | <table border="0" style="width: 100%;"> <tr> <td style="width: 40%;">\$ 2000</td> <td>original balance used to calculate the period of ineligibility</td> </tr> <tr> <td>\$ 576</td> <td>original MBSAC</td> </tr> <tr> <td>3</td> <td>number of months of ineligibility</td> </tr> <tr> <td>January</td> <td>first month of ineligibility</td> </tr> </table> | \$ 2000 | original balance used to calculate the period of ineligibility | \$ 576 | original MBSAC | 3 | number of months of ineligibility | January | first month of ineligibility |
| \$ 2000 | original balance used to calculate the period of ineligibility |  |         |  |        |                |   |                                   |         |                              |
| \$ 576  | original MBSAC   |  |         |  |        |                |   |                                   |         |                              |
| 3       | number of months of ineligibility                              |  |         |  |        |                |   |                                   |         |                              |
| January | first month of ineligibility                                   |  |         |  |        |                |   |                                   |         |                              |

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**HANDBOOK CONTINUES**

89-130 (Cont.)		DEMONSTRATION PROJECTS APDP AND CWPDP	Regulations
89-130	RESTRICTED ACCOUNTS FOR RECIPIENTS (Continued)		89-130

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### HANDBOOK CONTINUES

The AU size increased to three people in February and the need standard increased to \$715.

(B)	\$2000	original balance
	<u>- 576</u>	MBSAC for one month of ineligibility
	\$1424	result; divide by increased MBSAC for 3 (\$715)
	1.99	result
	1	number of ineligible months after increase (rounded down)
	1	number of months before increase
	<u>+ 1</u>	number of months after increase
	2	revised period of ineligibility (number of months)

The prior period of ineligibility has been reduced from three months to two months; January and February are the ineligible months.

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### HANDBOOK ENDS HERE

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| (o) | Establishing a Separate<br>AU for Other Eligibles | A separate AU may be established for an otherwise eligible person whose needs were not considered in the calculation of the period of ineligibility.                  |
| (p) | When Balance<br>Exceeds \$5,000                   | When the restricted account exceeds \$5,000 on the first day of a month, the county shall add the excess over the \$5,000 limit to the AU's other countable property. |
| (1) | Interest Payments                                 | When the \$5,000 limit is exceeded solely due to the deposit of interest payment(s), the county shall:  |

<b>89-130</b>	<b>RESTRICTED ACCOUNTS FOR RECIPIENTS</b>	<b>89-130</b>
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(Continued)

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|--|---|
| (A)                                      | allow the AU to withdraw the interest payment which caused the restricted account balance(s) to exceed the \$5,000 limit; and |
| (B)                                      | not calculate a period of ineligibility for the withdrawal of the interest.   |
| (q) Termination of the Written Agreement | The written agreement for the restricted account terminates when:   |
| (1)                                      | the AU is discontinued from AFDC; or  |
| (2)                                      | the restricted account is closed; or  |
| (3)                                      | the AU does not provide timely verification of the account information as specified in Section 89-130(c); or                  |
| (4)                                      | state or federal law changes the conditions or no longer permits these restricted accounts.                                   |

NOTE: Authority cited: Sections 10553, 10554, 10604, and 11155.2 (Ch. 270, Stats. 1997), Welfare and Institutions Code. Reference: Sections 10553, 10554, 11155, 11155.2 (Ch. 270, Stats. 1997), 11265.1, and 11265.2, Welfare and Institutions Code; 45 CFR 233.20(a)(3)(i)(B); and the Federal Terms and Conditions for the California Work Pays Demonstration Project as approved by the United States Department of Health and Human Services on March 9, 1994.

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<b>89-201</b>	<b>MINOR PARENT REQUIREMENT (Continued)</b>	<b>89-201</b>
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| .5   | Senior Parent Income                                    | In cases where the minor parent lives with his/her parent(s), the income and needs of the senior parent(s) shall be considered. Eligibility and grant amount for senior parent/minor parent cases shall be determined in accordance with Sections 44-133.5, 44-207 and 44-315 as appropriate, based on the specific circumstances of the case. |
| .51  | Senior Parent/Minor Parent Eligibility and Grant Amount | When considering income of the senior parent(s), pursuant to Sections 44-133.5, 44-207 and 44-315, and that income does not result in ineligibility of the minor and his/her child(ren), and:  |
| .511 | Minor in Own AU   | The minor parent is eligible to be included in his/her own AU (See Section 82-808), or   |
| .512 | Eligible Minor in AU of Senior Parent(s)                | The minor parent is eligible to be included in the AU of the senior parent(s) (See Section 82-808), then   |
| .513 | Grant Amount  | The income of the senior parent(s) shall be considered and the actual grant amount calculated pursuant to Section 44-315.3.  |

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**HANDBOOK BEGINS HERE**

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|  | (a)   | Handbook Section 89-201.513(a)(MR) shall become inoperative and Handbook Section 89-201.513(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.  |
|  | (MR) Example:<br>Eligible Minor<br>Parent in own AU | The persons residing together are the senior parent, her minor daughter (minor parent) and her minor daughter's child. The senior parent is not in the AU. The senior parent earns \$1,025 per month. The minor parent has no income. The family resides in Region 1 and is nonexempt. |

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**HANDBOOK CONTINUES**

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89-201 (Cont.)	DEMONSTRATION PROJECTS APDP AND CWPDP	Regulations
89-201	MINOR PARENT REQUIREMENT (Continued)	89-201
<b>HANDBOOK CONTINUES</b>		

The eligibility/grant computation is as follows:

\$1,025	Gross Family Earned Income
- 225	Income Disregard
\$ 800	
- 400	50% Earned Income Disregard
\$ 400	Net Nonexempt Income

\$ 679	MAP for an AU of 3
- 400	Total Net Nonexempt Income
\$ 279	Potential Grant

\$ 548	MAP for an AU of 2
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\$ 279	Actual Grant Amount (lesser of potential grant or AU MAP)
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(QR) Example:  
Eligible Minor  
Parent in own AU

The persons residing together are the senior parent, her minor daughter (minor parent) and her minor daughter's child. The senior parent is not in the AU. The senior parent earns \$1,025 per month. The minor parent has no income. The family resides in Region 1 and is nonexempt.

The eligibility/grant computation is as follows:

\$1,025	Reasonably Anticipated Family Earned Income
- 225	Income Disregard
\$ 800	
- 400	50% Earned Income Disregard
\$ 400	Average Net Nonexempt Income

\$ 704	MAP for an AU of Three
- 400	Total Averaged Net Nonexempt Income
\$ 304	Potential Grant

\$ 568	MAP for an AU of Two
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\$ 304	Actual Grant Amount (lesser of potential grant or AU MAP)
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**HANDBOOK CONTINUES**

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**HANDBOOK CONTINUES**

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	(b)	Handbook Section 89-201.513(b)(MR) shall become inoperative and Handbook Section 89-201.513(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
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	(MR) Example: Eligible Minor Parent in AU of Senior Parent(s)	Minor parent lives with both her parents. The senior mom has care and control of the minor parent's child and therefore, the minor parent can be considered an eligible child in this case. Aid was requested for the minor parent, her child and both senior parents so they are all in the AU. One senior parent earns \$900 per month. The other senior parent earns \$400 per month and receives \$125 in State Disability Insurance benefits. The minor parent has no income. The AU is nonexempt and resides in Region 1.
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The eligibility/grant computation is as follows:

\$ 125	-	<u>225</u>	-	\$ 100	Disability-Based Unearned Income Income Disregard Net Nonexempt Disability-Based Income
\$1,300	-	<u>100</u>			Gross Family Earned Income Remainder of \$225 Disregard
\$1,200	-	<u>600</u>			50% Earned Income Disregard
\$ 600					Net Nonexempt Earned Income
+		<u>0</u>			Other Nonexempt Unearned Income
\$ 600					Total Net Nonexempt Income
\$ 809					MAP for an AU of 4
-		<u>600</u>			Net Nonexempt Income
\$ 209					Grant Amount

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**HANDBOOK CONTINUES**

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**HANDBOOK CONTINUES**

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(QR) Example: Eligible Minor Parent in AU of Senior Parent(s)	Minor parent lives with both her parents. The senior parents are in the AU with the minor parent and the minor's child. One senior parent earns \$900 per month. The other senior parent earns \$400 per month and receives \$125 in State Disability Insurance benefits. The minor parent has no income. The AU is nonexempt and resides in Region 1.
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The eligibility/grant computation is as follows:

\$ 125	Reasonably Anticipated Monthly Disability-Based Unearned Income
- 225	Income Disregard
- \$ 100	Net Nonexempt Disability-Based Income
\$1,300	Reasonably Anticipated Monthly Family Earned Income
- 100	Remainder of \$225 Disregard
\$1,200	
- 600	50% Earned Income Disregard
\$ 600	Averaged Net Nonexempt Earned Income
+ 0	Other Nonexempt Unearned Income
\$ 600	Total Net Nonexempt Income
\$ 839	MAP for an AU of Four
- 600	Net Nonexempt Income
\$ 239	Grant Amount

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**HANDBOOK ENDS HERE**

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**.6 Minor Meets Exemption**

A minor who does not reside with a senior parent shall have his/her aid payment calculated based on existing income regulations.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11008.14, 11254 (Ch. 1022, Stats. 2002), 11451.5, and 16506(d), Welfare and Institutions Code and 42 USCA 608(a)(5).